FEDERAL COURT OF AUSTRALIA

Pinnacle Runway Pty Ltd v Triangl Limited [2019] FCA 1662

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| File number: |  |
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| Judge: | **MURPHY J** |
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| Date of judgment: | 10 October 2019 |
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| Catchwords: | **TRADE MARKS –** whether the second respondent infringed the applicant’s trade mark pursuant to s 120 of the *Trade Marks Act 1995*(Cth) – whether the mark was used to distinguish its goods from the goods of other traders.  **TRADE MARKS –** cross-claim for cancellation of a trade mark pursuant to s 88 of the *Trade Marks Act 1995* (Cth) – whether cross-respondent was the first to use the trade mark in Australia in relation to the goods for which that mark is registered – whether marks which were used earlier than the priority date are identical or substantially identical to registered trade mark – whether substantial identity between two marks where multiple differences exist – whether a total impression of similarity emerges from a comparison between the two marks.  **EVIDENCE** – hearsay evidence – whether screenshots of webpages advertising women’s fashion apparel and swimwear for sale under particular style names and at specified prices constitute business records under s 69 of the *Evidence Act* *1995* (Cth) – finding that such evidence does fall within the business records exception – consideration of evidence that the “Wayback Machine” automatically archives and retrieves webpages, without relevant human intervention – whether screenshots of archived webpages obtained using the Wayback Machine constitute hearsay under s 59 of the *Evidence Act* – whether such evidence should be excluded under s 135 of the *Evidence Act* or their use limited under s 136 of the *Evidence Act.*  **DAMAGES** – claim for damages for lost sales – whether claim for damages for diminution of reputation established – whether conduct of the respondent is such as to justify an award of additional damages under s 126(2) of the *Trade Marks Act 1995* (Cth). |
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| Legislation: | *Evidence Act 1995* (Cth)  *Trade Marks Act 1995* (Cth) |
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| Cases cited: | *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2017] FCAFC 56; (2017) 345 ALR 205  *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2015] FCA 554; (2015) 112 IPR 494  *Anheuser-Busch Inc v Budejovicky Budvar, Narodni Podnik & Ors* [2002] FCA 390; (2002) 56 IPR 182  *Australian Competition and Consumer Commission v Air New Zealand Limited (No 5)* [2012] FCA 1479; (2012) 301 ALR 352  *Australian Competition and Consumer Commission v Meriton Property Services Pty Ltd* [2017] FCA 1305; (2017) 350 ALR 494  *Beecham Group plc v Colgate-Palmolive Pty Ltd* [2005] FCA 838; (2005) 66 IPR 254  *Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* [2018] FCA 235; (2018) 354 ALR 353  *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* [1994] FCA 68; (1994) 120 ALR 495  *Conde Nast Publications Pty Ltd v Taylor* [1998] FCA 864; (1998) 41 IPR 505  *Dyno Nobel Inc v Orica Explosives Technology Pty Ltd (No 2)* [2019] FCA 1552  *E & J Gallo Winery v Lion Nathan (Aust) Pty Ltd* [2010] HCA 15; (2010) 241 CLR 144  *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* [2008] FCA 934; (2008) 77 IPR 69  *Facton Ltd v Rifai Fashions Pty Ltd* [2012] FCAFC 9; (2012) 199 FCR 569  *Flags 2000 Pty Ltd v Smith* [2003] FCA 1067; (2003) 59 IPR 191  *Futuretronics.com.au Pty Ltd v Graphix Labels Pty Ltd (No 2)* [2008] FCA 746; (2008) 76 IPR 763  *GM Holden Ltd v Paine* [2011] FCA 569; (2011) 281 ALR 406  *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* [2008] FCA 406; (2008) 75 IPR 505  *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* [1991] FCA 402; (1991) 30 FCR 326  *Leybourne v Permanent Custodians Limited* [2010] NSWCA 78  *Lomas v Winton Shire Council* [2002] FCAFC 413; (2003) AIPC 91-839  *McMahon v John Fairfax Publications Pty Ltd (No 4)* [2012] NSWSC 216  *Microsoft Corp v Goodview Electronics Pty Ltd* [2000] FCA 1852; (2000) 49 IPR 578  *National Telecoms Group Ltd v John Fairfax Publications Pty Ltd (No 1)* [2011] NSWSC 455  *PB Foods v Malanda Dairyfoods Ltd* [1999] FCA 1602; (1999) 47 IPR 47  *PepsiCo Australia Pty Ltd v Kettle Chip Co Pty Ltd* [1996] FCA 48; (1996) 135 ALR 192  *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* [2017] FCAFC 83; (2017) 251 FCR 379  *Playgro Pty Ltd v Playgo Art & Craft Manufactory Ltd (No.2)* [2016] FCA 478; (2016) 118 IPR 514  *Review Australia Pty Ltd v Innovative Lifestyle Investments Pty Ltd* [2008] FCA 74; (2008) 166 FCR 358  *Roach v Page (No 15)* [2003] NSWSC 939  *Roach v Page (No 27)* [2003] NSWSC 1046  *Rodney Jane Racing Pty Ltd v Monster Energy Company* [2019] FCA 923; (2019) 42 IPR 275  *Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 2)* [2017] FCA 474  *Shell Co (Aust) Ltd v Esso Standard Oil (Australia) Ltd* [1963] HCA 66; (1963) 109 CLR 407  *Truong Giang Corporation v Tung Mau Quach and Ors* [2015] FCA 1097; (2015) 114 IPR 498  *Voxson Pty Ltd v Telstra Corporation Limited (No 10)* [2018] FCA 376; (2018) 134 IPR 99 |
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| Date of hearing: | 22-24 October 2018 |
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| Registry: |  |
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| Division: |  |
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| National Practice Area: |  |
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| Sub-area: | Trade Marks |
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| Category: | Catchwords |
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| Number of paragraphs: | 298 |
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| Counsel for the Applicant/Cross-Respondent: | Mr S Stuckey QC and Mr A Sykes |
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| Solicitor for the Applicant/Cross-Respondent: | Actuate Legal |
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| Counsel for the Respondents/Cross-Claimant: | Mr N Murray SC and Ms F St John |
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| Solicitor for the Respondents/Cross-Claimant: | Corrs Chambers Westgarth |

ORDERS

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|  | | VID 794 of 2016 |
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| BETWEEN: | PINNACLE RUNWAY PTY LTD  Applicant | |
| AND: | TRIANGL LIMITED  First Respondent  TRIANGL GROUP LIMITED  Second Respondent | |
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| AND BETWEEN: | TRIANGL GROUP LIMITED  Cross-Claimant | |
| AND: | PINNACLE RUNWAY PTY LTD  Cross-Respondent | |

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| JUDGE: | MURPHY J |
| DATE OF ORDER: | 10 October 2019 |

THE COURT ORDERS THAT:

1. The application be dismissed.
2. The cross-claim be dismissed.
3. The parties file and serve submissions on the question of costs within 21 days, and file and serve any submissions in reply within seven days thereafter.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

REASONS FOR JUDGMENT

MURPHY J:

# Introduction

1. These are ill–advised proceedings in respect of alleged trade mark infringement and cancellation of a trade mark, and there is no clear winner. The applicant and cross-respondent, Pinnacle Runway Pty Ltd (**Pinnacle**), designs, manufactures, supplies and sells women’s clothing in Australia and overseas under the registered trade mark, DELPHINE (the **DELPHINE Trade Mark**). It alleged but failed to establish that Triangl infringed its registered mark. The second respondent and cross-claimant, Triangl Group Limited (**Triangl**) designs, manufactures, supplies and sells women’s swimwear in Australia and around the world under the registered trade mark, TRIANGL (the **TRIANGL Trade Mark**). It alleged but failed to establish that Pinnacle’s registration of the DELPHINE Trade Mark should be cancelled on the basis that Pinnacle was not the first to use it.
2. Even if Pinnacle had been successful in its claim, its damages entitlements were not worth the powder and shot. The period of alleged trade mark infringement was six weeks from 24 April 2016 to 2 June 2016 (the **relevant period**), the alleged infringing use ceased within three weeks of Pinnacle’s letter of demand, and Triangl agreed to desist from the allegedly infringing use before the proceeding was filed. The total revenue Triangl made through the alleged infringing conduct was less than $40,000, and Pinnacle was unable to establish that it had lost any sales. Pinnacle was also a young brand at the time, having been operating for less than a year. Its reputation at that stage was only budding and any entitlement it had to damages for diminution of reputation were *de mimimis*. Pinnacle spent many times more in legal costs in bringing the claim than it could ever have reasonably hoped to recover by way of damages. Triangl spent many times more defending the claim and bringing the cross-claim than it could have possibly been required to pay in damages. This unfortunate litigation involved substantial expenditure of the parties’ and Court resources and, for reasons which are unclear, the parties were unable to reach a commercial settlement.
3. Triangl admitted that, over a period of six weeks, it marketed and sold in Australia a bikini style in three different floral designs under the TRIANGL Trade Mark using the name DELPHINE, but denied using DELPHINE “as a trade mark”. It argued that it employed the TRIANGL Trade Mark to distinguish its products from those of other traders and it only used DELPHINE as a “style name” so as to assist consumers to differentiate that one of its many bikini styles from its other styles. It put on evidence to show that there is a widespread practice in the women’s fashion industry in Australia of using style names in relation to women’s fashion garments, including swimwear, and that women’s names are commonly so used. Triangl contended that consumers were used to this practice and that its use of the name DELPHINE was unlikely to be perceived by consumers as distinguishing Triangl’s goods from the goods of other traders.
4. For the reasons I explain Pinnacle did not establish that Triangl’s use of DELPHINE amounted to use *as a trade mark* under s 120 of the *Trade Marks Act 1995* (Cth) (the **Act**). It is appropriate to dismiss Pinnacle's claim.
5. Triangl alleged in the cross-claim that Pinnacle was not the first trader to use DELPHINE in the course of trade in Australia in relation to the goods for which the mark is registered. On that basis it sought orders to cancel the registration of the DELPHINE Trade Mark under s 88 of the Act. Triangl did not however adduce admissible and probative evidence in support of its claim of use in Australia by other traders of a mark having substantial identity with the DELPHINE Trade Mark before the priority date of that mark. It is appropriate to dismiss Triangl’s cross-claim.

# Pinnacle’s claim

# The Facts

1. Many of the facts in relation to Pinnacle’s claim are uncontroversial. Where they are contentious, I set out my view of the evidence in the course of recounting the facts.
2. Pinnacle relied upon affidavits by:
3. Mr Fabian Daniel Bucoy, general manager of Pinnacle, affirmed 13 April 2018;
4. Mr Andrew Selim Petale, at the relevant time a solicitor with Actuate IP, the solicitors for Pinnacle, affirmed 26 March 2018;
5. Ms Kerri Lambrianidis, at the relevant time a solicitor with Actuate IP, affirmed 27 March 2018; and
6. Dr Stephen Downes, a branding and marketing expert, affirmed 27 March 2018 and 18 September 2018 (respectively the **first** and **second Downes reports**).

Mr Bucoy and Dr Downes were cross-examined.

1. Triangl relied upon affidavits by:
2. Mr Craig Ellis, a director, shareholder and founder of Triangl Limited and Triangl Group Limited, affirmed 6 August 2018;
3. Mr Gary Saunders, a marketing and public relations expert, affirmed 15 August 2018;
4. Mr Fabien Lalande, a trade mark practitioner with Corrs Chambers Westgarth (**Corrs**), the solicitors for Triangl, affirmed 15 August 2018;
5. Mr Christopher Butler, office manager of the Internet Archive, affirmed 11 June 2018, which was relied upon in a *voir dire* regarding the admissibility of Mr Lalande’s evidence.

Mr Ellis, Mr Saunders and Mr Butler were cross-examined.

## Pinnacle and the DELPHINE brand

1. Mr Bucoy is Pinnacle’s General Manager. Much of his evidence is uncontentious but I found his evidence on some issues of significance in the case to be unreliable in certain respects. The assistance his evidence provided in relation to some important aspects of Pinnacle's claim was to a significant extent undercut in cross-examination.
2. Mr Bucoy has approximately 10 years of experience working in finance for Coles Myer in the retail sector and he subsequently spent a further 10 years working for his own women’s fashion companies. In approximately 2009 he co-founded Luvalot Clothing Pty Ltd, an Australian fashion company operating as an independent designer, manufacturer and wholesaler of women’s fashion and he continues to be a co-owner of that company. In February 2014 he incorporated Pinnacle which, at that time, operated as a wholesaler and retailer of women’s fashion under its own name. He co-owned Pinnacle until 2017 when he transferred his shares to his wife.
3. In approximately early 2015 Mr Bucoy decided to develop the Pinnacle business into an independent women’s fashion label that would manufacture and design its own products. Around that time Pinnacle began undertaking work to prepare for the launch of this new fashion label, which included the selection of an appropriate name. After considering a range of names with the staff at Pinnacle, Mr Bucoy chose the name DELPHINE as he considered it to be “a distinctive and pleasant sounding brand which fit[ted] the feminine image [he] wanted for the label.”
4. On 6 July 2015 Pinnacle lodged a trade mark application for the word DELPHINE in class 25, which, relevantly, covers most types of clothing, headwear and swimwear. On 3 February 2016 Pinnacle was registered as the owner of that mark in Australia and it has owned the DELPHINE Trade Mark in relation to goods and services in class 25 at all material times since then. An image of the mark appears below:



As is apparent, DELPHINE is in uppercase, it is not stylised and there is nothing distinctive in the font style, size or colour.

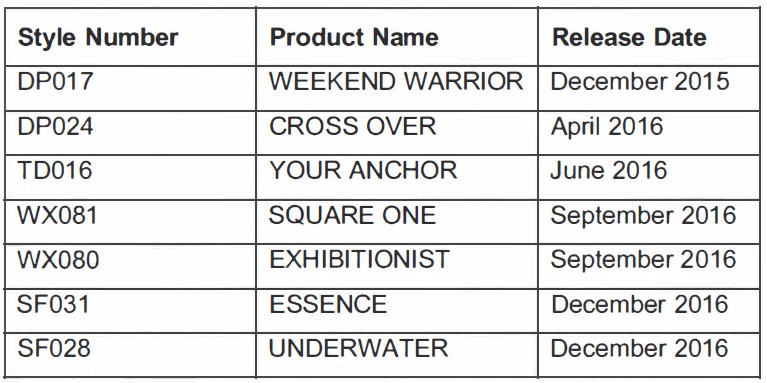
1. On 6 August 2015 Pinnacle registered DELPHINE THE LABEL as a business name in Australia. Subsequently Pinnacle also registered DELPHINE as a trade mark in the USA, the UK and New Zealand. The USA trade mark states that the mark comprises “consistent standard characters, without claim to any particular font style, size or colour”.

### Pinnacle’s promotion of the DELPHINE brand

1. In preparation for the launch of the DELPHINE brand, Pinnacle:
2. constructed a website located at <www.delphinethelabel.com> (the **DELPHINE** **website**) in or around July 2015 which included an online shop offering products for sale directly to customers;
3. set up a Facebook page located at <www.facebook.com/delphinethelabel> (the **DELPHINE** **Facebook page**) in or around August 2015; and
4. set up an Instagram account @delphinethelabel (the **DELPHINE** **Instagram account**) in or around early August 2015.
5. In or around August 2015, Pinnacle officially launched the DELPHINE label and celebrated the occasion with a launch party held on 18 September 2015.
6. Pinnacle operated the DELPHINE business from its Melbourne head office and it promoted its products around Australia and overseas. During the relevant period it had a sales and marketing presence in each State, the Northern Territory and in several locations overseas.
7. Mr Bucoy stated that, since the launch of the DELPHINE brand in August 2015, the brand “encompassed all manner of women’s fashions including but not limited to swimsuits and bodysuits/leotards, dresses, outerwear, tops, jumpsuits, and bottoms namely skirts, pants and shorts” (the **DELPHINE** **Products**). He adduced screenshots of pages on the DELPHINE website from the period September 2015 to April 2017 showing the promotion of DELPHINE Products (obtained through searches using the internet ‘Wayback Machine’) which I infer were taken around the time that Mr Bucoy made his affidavit. Triangl raised no objection to Mr Bucoy adducing these screenshots into evidence and I have treated them as admissible.
8. He said that, following its launch, Pinnacle used social media extensively to help promote DELPHINE Products, including via its Facebook page and its Instagram account. There is some direct evidence of Pinnacle’s promotion of DELPHINE Products via its Facebook page from August 2015 but, because its Instagram account was hacked in August 2017 and the contents of the account lost, there is no evidence about the number of followers it had or the extent of Instagram posts promoting DELPHINE Products prior to and during the relevant period. Mr Bucoy said that the DELPHINE Instagram account had approximately 20,000 followers prior to August 2017 and that it gained 3,256 followers between August 2017 and April 2018, but he did not estimate how many there were up to and including the relevant period. Up to and including the relevant period DELPHINE was just starting up and I infer that the DELPHINE Instagram account had many less followers than that during the relevant period, but the number is unknown.
9. Pinnacle employed fashion agencies to promote the DELPHINE label and DELPHINE Products domestically and internationally. The evidence shows that up to and including the relevant period Pinnacle engaged the Halation Agency to represent the DELPHINE label in New South Wales, Queensland and the Northern Territory, and the 4Threads Fashion Agency to represent the DELPHINE label in Victoria and Tasmania. Pinnacle also employed public relations agencies to promote the DELPHINE label in various media, forums and events both in Australia and internationally. I accept Mr Bucoy’s unchallenged evidence that these agencies assisted in raising brand awareness of the DELPHINE label by arranging promotion and feature articles of DELPHINE Products in blogs, online and print magazines and newspapers and through their contacts with stylists and influencers on social media.
10. Mr Bucoy stated that DELPHINE Products were marketed and sold by a number of large and popular online and off-line fashion retailers, including THE ICONIC, an online retailer located at <www.theiconic.com.au> (**THE ICONIC website**). THE ICONIC is a large and popular online fashion retailer in Australia and in the relevant period it was the principal stockist of DELPHINE Products.
11. Mr Bucoy adduced screenshots of webpages from the DELPHINE website in March 2016 (obtained through internet searches using the Wayback Machine) which listed the online and in-store stockists of DELPHINE Products at that time. Triangl again raised no objection to this evidence and I have treated it as admissible. I infer these screenshots were taken at around the time Mr Bucoy made his affidavit and they indicate that, shortly before the relevant period, eight online retailers and 23 in-store retailers marketed and sold DELPHINE Products in Australia. Mr Bucoy also provided Pinnacle’s current list of online and in-store retailers, which shows that as at the date of his affidavit seven online retailers and 24 in-store retailers marketed and sold DELPHINE Products in Australia. Mr Bucoy also adduced various screenshots of THE ICONIC website which I infer were taken at the same time and which show the promotion of various DELPHINE Products on that website.

### The limited extent of Pinnacle’s marketing and sale of women’s swimwear

1. Mr Bucoy said that during the period December 2015 to December 2016 Pinnacle released the following collection of seven Delphine Products which he described collectively as the “**DELPHINE Swimwear Products**”:



1. That description was misleading. Except for one item named ‘Underwater Swim’ the collection cards Pinnacle used to promote this collection show all the products to be bodysuits or leotards rather than swimwear. Those cards record the full names of the products as follows:
2. style number DP017 - Weekend Warrior Leotard;
3. style number DP024 - Cross Over Leotard;
4. style number TD016 - Your Anchor - Bodysuit;
5. style number WX081 - Square One - Bodysuit;
6. style number WX080 - Exhibitionist - Bodysuit;
7. style number SF031 - Essence Bodysuit; and
8. style number SF028 - Underwater Two Piece.
9. In cross-examination Mr Bucoy was taken to various screenshots from the DELPHINE and THE ICONIC websites showing what he described as DELPHINE “swimsuits and bodysuits”. Mr Bucoy was hard to pin down when he was questioned about whether the DELPHINE bodysuits and leotards were marketed for or used for swimming, and he equivocated when it was put to him that when Pinnacle wished to market and sell a DELPHINE Product as swimwear it expressly said so.
10. Mr Bucoy took that position notwithstanding that the websites described the bodysuits and leotards in the following terms:
11. the Awakening Bodysuit is “an absolute must have for your versatile wardrobe staple pieces” and the “long lines of the cut will flatter your figure no matter what you layer it with”. In cross-examination Mr Bucoy accepted that ‘layering’ meant adding clothes on top and that the description made no mention of swimming or swimwear;
12. the False Love Bodysuit can be “pair[ed] with denim for a cute afternoon look and match[ed] with beige, pinks and white for an evening ensemble that’s as sweet as it is powerful.” In cross-examination Mr Bucoy accepted that the garment was marketed as something that you would add other garments to. The description made no mention of swimming or swimwear;
13. the Essence Bodysuit has “back scoops to the waist for simple elegance. You can build your perfect summer outfit around this ultimate wardrobe staple.” The description made no mention of swimming or swimwear and the garment appeared on the section of THE ICONIC website relating to ‘tops’ rather than the section relating to ‘swimwear’. Mr Bucoy accepted in cross-examination that it was not marketed as swimwear; and
14. the images promoting the Cross Over Leotard showed items of clothing being worn over it. Mr Bucoy accepted in cross-examination that the description of that item made no mention of swimming or swimwear and that there was nothing to suggest that the leotard was intended for swimming.
15. It is plain on the evidence that when Pinnacle marketed swimwear it made that intended usage clear to customers. For example, the advertising of the Underwater Two Piece swimwear on THE ICONIC website said “[o]ur model is wearing a size 8 swimsuit” and that it was made of “high-stretch *swim* jersey” (emphasis added). The advertising of the Compass Swimsuit on the DELPHINE website said that it is “[p]erfect for cocktails by the pool on a stunning summer afternoon, these designer *bathers* will flatter your figure and help you stand out from the crowd” (emphasis added).
16. The gist of Mr Bucoy’s evidence was that the DELPHINE bodysuits and leotards were also suitable for swimming or that women might choose to use them for swimming. While it is impossible to know whether some consumers purchased and used such bodysuits or leotards for swimming, it is clear that Pinnacle did not promote them for that purpose. I doubt that its customers purchased them for that purpose.
17. Importantly, Mr Bucoy’s evidence shows that during the relevant period Pinnacle did not market or sell *any* women’s swimwear under the DELPHINE mark. In that period the sole swimwear item that Pinnacle listed as a DELPHINE Swimwear Product (the Underwater Swim) was not marketed or offered for sale. During the relevant period Pinnacle only sold two styles of one-piece leotard, the Weekend Warrior and the Cross Over. I consider Mr Bucoy sought to obscure the fact that, during the relevant period, Pinnacle did not market or sell any women’s swimwear under the DELPHINE mark.
18. It is likely that he tried to maintain that DELPHINE bodysuits and leotards were marketed to and used by consumers as swimwear in an effort to show that its products were substitutable for TRIANGL bikinis, in an effort to bolster its claim for damages for lost sales. Although his evidence shifted around Mr Bucoy ultimately accepted in cross-examination that a floral bikini is not substitutable for a leotard. I consider it to be quite unlikely that consumers would have seen the relevant TRIANGL bikinis as substitutable for the DELPHINE bodysuits and leotards and I found Mr Bucoy’s evidence in regard to Pinnacle's marketing of women's swimwear unreliable.
19. Mr Bucoy’s evidence also shows that up to and including the relevant period Pinnacle sold very few items of the (misleadingly described) DELPHINE Swimwear Products. For the six month period from 1 December 2015 to 1 June 2016 Pinnacle’s total sales of DELPHINE Swimwear Products was only $366, and during the relevant period Pinnacle’s total sales of such products was only $186.

## Triangl and the TRIANGL brand

1. Mr Ellis is a co-founder, director and shareholder of the two respondents, Triangl Group Limited and Triangl Limited. His evidence aligned with Mr Bucoy’s evidence on several issues of significance in the case. I found him to be a credible witness and I broadly accept his evidence.
2. Mr Ellis has many years of experience in the fashion industry. He was the owner of a men’s fashion t-shirt business named St Lenny from about 2002 to about 2009 and a designer of women’s and men’s fashion with a large fashion retailer and wholesaler named Factory X from about 2009 to 2012.
3. Mr Ellis said that, in November 2011, he discussed with Ms Erin Deering her frustration with the lack of good quality bikinis that cost less than $100. In early 2012 they decided to move to Hong Kong to start their own business selling swimwear, particularly women’s bikinis, trading as Triangl. Ms Deering and Mr Ellis became co-directors, shareholders and founders of the Triangl business. Mr Ellis said and I accept that the Triangl Group Limited is the relevant entity for the proceeding as it was the trading entity for the Triangl group of companies during the relevant period.
4. He said that in early 2013 Triangl switched from a wholesale model, selling Triangl products to Australian retailers, to selling Triangl products direct to customers via its website and social media pages. Triangl’s business started to expand quickly and Triangl bikinis are now sold around the world in over 100 countries, solely online via Triangl’s website.
5. Triangl has registered the following Australian trade marks:
6. Trade Mark No 1581504 for the word TRIANGL in class 25 for clothing, headwear and swimwear;
7. Trade Mark No 1619504 for the word TRIANGL in class 35 for retail services, wholesale services, mail-order services and online retailing in respect of various kinds of clothing and other apparel;
8. Trade Mark No 1747701 for the following device in class 25:

; and

1. Trade mark No 1766 7234 for SUMMER NEVER ENDS in classes 25 and 35.
2. Since moving to a solely online business in 2013 Triangl products have only ever been advertised to Australian consumers via a small number of media, including:
3. the Triangl website located at <www.triangl.com> (the **TRIANGL website**). At the relevant time the website required an Australian person wishing to make a purchase to select their region, which then directed the customer to the pages of the website targeted at Australia;
4. the Triangl social media outlets, being:
5. the TRIANGL Instagram page – <www.instagram.com/triangl>; and
6. the TRIANGL Facebook page – <www.facebook.com/trianglofficial>;
7. Electronic Direct Mail (**EDM**) communications with customers and prospective customers who set up an account through the TRIANGL website; and
8. in some limited magazines and traditional forms of media.
9. Social media is the main channel through which Triangl markets its products. As at 21 June 2016, Triangl had over 2 million social media followers, but the evidence does not show how many of those followers live in Australia.

### The use of ‘style names’ in women’s fashion in Australia

1. Mr Ellis gave unchallenged evidence that over his years working in the fashion industry he had seen that style names are commonly used, both globally and in Australia, to assist customers to distinguish between different products sold by a trader. He also said that he was aware that many other brands in the women’s swimwear industry adopted style names. I accept that evidence.
2. He also said that the rapid turnover of stock and repeated use of the same colours meant that it was much easier for a customer to refer to a name or other word for a garment than it was for the customer to refer to the garment by reference to a style number. He said that the use of style names made the business of retailing products easier as when dealing with customer queries and complaints both parties more readily knew what product was being talked about. He also said that the benefit of style names applied to internal discussions within a clothing business as a style name more readily brought to mind the product in question, in much the same way as a person’s name brings to mind that person’s face. He said that a style number or code does not so easily serve that purpose and that it was not difficult to accidentally transpose an incorrect number when dealing with a style number rather than a style name. I accept that evidence.
3. Mr Bucoy essentially confirmed the gist of Mr Ellis’ evidence in this regard. He accepted that traders in the women’s fashion industry assign style or product names to their products because it is a more convenient way of identifying the product, more convenient than requiring either the business or the customer to have to describe all the characteristics of the garment they are talking about, and easier and more convenient than using a model or style number. I accept his evidence in this regard.
4. The evidence shows that Pinnacle itself repeatedly used style names, including women’s names, in relation to DELPHINE Products. Mr Bucoy accepted in cross-examination that Pinnacle marketed and sold a DELPHINE Product under the style name ‘Clementine’, which is a women’s name (although Mr Bucoy argued that it was also a man’s name). He accepted that DELPHINE Products were marketed and sold on the DELPHINE and THE ICONIC websites using style names including: Sovereign, Anarchy, On the Run, Revolution, Riot, Compass, Libertine, Damsel, Gallows, Essence, Temptress and Larva. Mr Bucoy accepted that the benefit of using a style name was that it allowed identification of a particular garment *within* an apparel range. It is also worth noting that many of the style names which Pinnacle used in relation to DELPHINE Products had been previously registered as Australian trade marks by other traders in respect of class 25 goods, including clothing. The evidence shows the following registered Australian trade marks and the date of its registration which correspond with a style name which Pinnacle used:
5. SOVEREIGN - December 1946;
6. REVOLUTION - January 1989;
7. Anarchy (in stylised form) - November 1997;
8. ON THE RUN - October 2005;
9. TEMPTRESS - July 2004;
10. Libertine - June 2006;
11. Damsel - February 2009;
12. GALLOWS - expired in March 2018;
13. LARVA - October 2011;
14. RIOT - November 2011;
15. COMPASS - December 2014; and
16. ESSENCE - January 2014.

Mr Bucoy agreed that it would be “disastrous” if every time Pinnacle’s designers came up with a style name for a DELPHINE Product it was required to check the register of trade marks.

1. Mr Saunders also gave evidence confirming the widespread use of women’s names as product names in the women’s fashion industry. He said that in his experience style or product names are easier for people to remember than other kinds of words and are more convenient. In his view using a women’s name can add “a poetic, feminine quality” to a garment. He said that during his time in the women’s fashion industry he had seen many hundreds of products named by reference to women’s names, and that in his experience the use of women’s names as style names or product names was “extremely common”. I accept that evidence.
2. There was also some evidence that DELPHINE, which I consider to be a woman’s name, was used by other traders in relation to women’s apparel. In cross-examination Mr Bucoy was taken to pages from the websites of a variety of traders marketing and selling women’s apparel in Australia under the name DELPHINE (Exhibit R4). The evidence shows that:
3. THE ICONIC website, which was the principal online stockist of DELPHINE Products, marketed women’s apparel in Australia under various different women’s fashion brands, using DELPHINE as a style or product name. On this website such marketing sometimes appeared directly alongside advertisements for DELPHINE Products. The relevant apparel marketed on THE ICONIC website included:
4. the Delphine Support Sports Bra and Delphine Oversized Sweat, under the Lorna Jane brand, which is a well-known women’s athletic wear company;
5. the Delphine Long Sleeve Mini, under the Rebecca Vallance brand;
6. the Delphine Midi Dress, under the Tussah brand;
7. the Delphine Denim Shorts, under the Camilla and Marc brand;
8. the Delphine Dress, Delphine Top and Delphine Skirt, under the Princess Highway brand; and
9. the Delphine Long Sleeve Dress, under the Rusty brand.
10. the Myer website which advertised a dress with the name Delphine, under the Leona Edmiston brand, a well-known Australian designer;
11. the Fame and Partners website which advertised a dress named The Delphine under the Fame and Partners brand;
12. the Ozsale website which marketed a dress named the Delphine Shift Dress, under the French Connection brand;
13. the Mytheresa website which marketed an embroidered linen shirt named Delphine, under the Isabel Marant brand; and
14. the Surfstitch website which marketed a dress named Delphine Long Sleeve Dress.
15. In cross-examination Mr Bucoy accepted that when consumers looked at THE ICONIC website and saw DELPHINE Products advertised next to garments by Lorna Jane and other traders also using the name DELPHINE, they would be used to seeing that kind of marketing and use of style names. He accepted that consumers would understand that the brand was, for example Princess Highway, and DELPHINE was just the name of that garment. He accepted that there was available for consumers to see, from a range of trading sources, multiple uses of the name DELPHINE by different brands to identify their particular garments. Importantly Mr Bucoy accepted that this kind of usage of DELPHINE by other traders in Australia also happened in 2016.
16. I am satisfied that up to and including the relevant period it was commonplace for traders marketing and selling women’s fashion in Australia, including women’s swimwear, to use style names including women’s names in relation to their products. I infer that during the relevant period consumers in Australia were accustomed to seeing style names, including women’s names, used in relation to women’s fashion, including women’s swimwear.

### Triangl’s use of style names

1. Mr Ellis stated that at the time Triangl was starting up he carried out Google searches of women’s swimwear brands to see how those brands operated. He said that, his having seen that many brands in the women’s swimwear industry adopted style names for their products, Triangl decided to use the same practice when it commenced operations.
2. He said and I accept that since commencement of the Triangl business it has consistently used style names to identify and differentiate between TRIANGL bikini styles in its range, including women’s names. He adduced a list of approximately 100 style names used by Triangl and the date when their use started and finished. Many of the style names Triangl used are women’s names, but it also used other non-descriptive style names (for example, “Confetti Garden”, “Poker Face”, “Charms” and “Famous”) and the great majority of the names Triangl used are non-descriptive.
3. Mr Ellis said and I accept that the process within Triangl by which style names were chosen for its bikinis was quite informal. He said that commonly he, Ms Deering or another member of Triangl’s public relations or marketing team suggested a loose theme for a product range (e.g. “Bond Girls” or “European Summer”) and then Triangl staff members contributed names along the lines of the selected theme. The names were then assigned to a bikini style on a “first-come, first-served basis”; that is, no particular name was singled out for a particular bikini. Mr Ellis said that Triangl did not consider that it had exclusive rights to any of the style names that it employed, and saw them as just a convenient way of delineating between its different products.
4. In cross-examination senior counsel for Pinnacle put to Mr Ellis that the bulk of the women’s names Triangl used are not commonplace and they were chosen because they are unusual or distinctive. Mr Ellis denied that this was Triangl’s intention, but he accepted that some staff members who chose style names as part of the informal process he outlined might have been looking for names which were distinctive. He said that if that occurred it was not at Triangl’s direction.
5. Mr Ellis also said that style names did not matter to Triangl, that it did not “care that much” about style names, and that in the context of the international market in which Triangl operated the names it used as style names were not unusual, although it might be said they were so in an Australian context. In his view there was no value, benefit or reputation to be attributed to Triangl in the style names that it applied to its bikini styles. I accept Mr Ellis’ evidence in this regard but the question as to whether Triangl’s use of DELPHINE constituted use *as a trade mark* does not turn on Triangl’s intent and it is a matter for the Court to decide.

## Triangl’s decision to use DELPHINE

1. Mr Ellis deposed that he was unable to recall specifically who chose the name DELPHINE for one of the four new bikini styles Triangl was planning to launch as part of its Spring/Summer 2016 campaign. Then, in cross-examination, he said that a designer Triangl employed at the time came up with the names PALOMA, LOTTE, BIBI and DELPHINE for the four styles in the new collection. He said that the designer had an Italian background and she was trying to give the collection a more Mediterranean slant “just to vary it up - to step away from what we had done previously”. He said that Triangl chose the name DELPHINE along with PALOMA, LOTTE and BIBI as the new style names in line with the informal naming practice outlined above, and the four style names chosen were then arbitrarily assigned to the four new bikini styles. I accept his evidence in this regard.
2. I also accept Mr Ellis' evidence that he was unaware of the existence of Pinnacle and of the DELPHINE Trade Mark at the time Triangl decided to use the name DELPHINE.

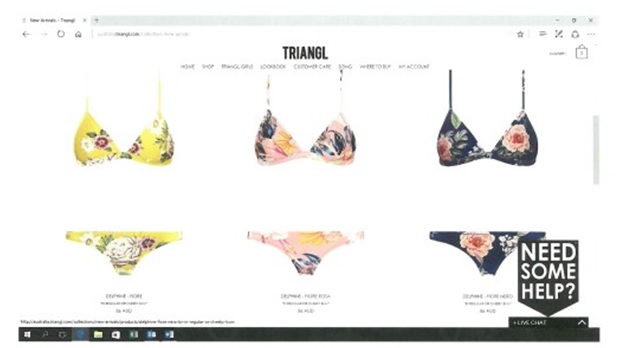
## Triangl’s use of DELPHINE

1. It is uncontentious that during the relevant period (24 April 2016 to 2 June 2016) Triangl marketed and sold in Australia a bikini style in three colours and floral designs under the name DELPHINE, naming the three different designs as DELPHINE – FIORE, DELPHINE – FIORE ROSA and DELPHINE – FIORE NERO (the **Triangl DELPHINE bikinis**).
2. It is also uncontentious that Triangl only used the name DELPHINE in Australia in that short period and that its use was restricted to:
3. the TRIANGL website;
4. three electronic direct mail (**EDM**) communications with customers and prospective customers who had set up an account through the TRIANGL website; and
5. 12 posts on the TRIANGL Instagram page, 7 posts on the TRIANGL Facebook page, and in a press pack sent to Elise Garland Public Relations in June 2016 (the **press pack**).

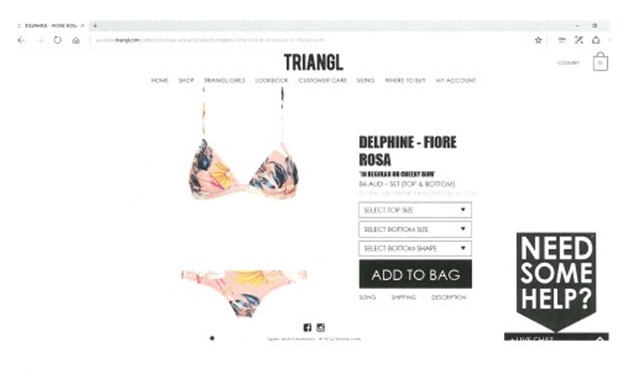
Pinnacle relied upon Triangl’s use of DELPHINE on the TRIANGL website and in the EDMs for the claim of trade mark infringement. It only relied on Triangl’s use of DELPHINE on the TRIANGL Instagram and Facebook pages as part of the context in which a consumer would perceive the use of DELPHINE on the TRIANGL website and in the EDMs. It did not rely on the use of DELPHINE in the press pack. I proceed upon that basis.

### The use of DELPHINE on the TRIANGL website

1. Ms Lambrianidis adduced screenshots of webpages on the TRIANGL website which she took on or around 10 May 2016. An image of the first screenshot she adduced is reproduced below. As is apparent, the TRIANGL Trade Mark is central and prominent at the top of the page and the name DELPHINE accompanied by either FIORE, FIORE ROSA or FIORE NERO appears under each colour or pattern variant of the bikinis.



1. It is impossible to read from the image reproduced above but the domain address <<http://australia.triangl.com/collections/new->arrivals/products/delphine-fiore-nero-br-in-regular-or-cheeky-bum> appears in small font at the base of the page. This indicates that the page was reached by the user clicking on the “New Arrivals” button. Pinnacle did not however adduce screenshots of the page showing the three other new TRIANGL bikini styles in the Spring/Summer 2016 campaign which I infer were shown when the “New Arrivals” button was clicked.
2. An image of the second screenshot Ms Lambrianidis adduced is reproduced below. I infer that a user of the website would arrive at this page by clicking on the image of the DELPHINE- FIORE ROSA bikini on the page displayed in the first screenshot.



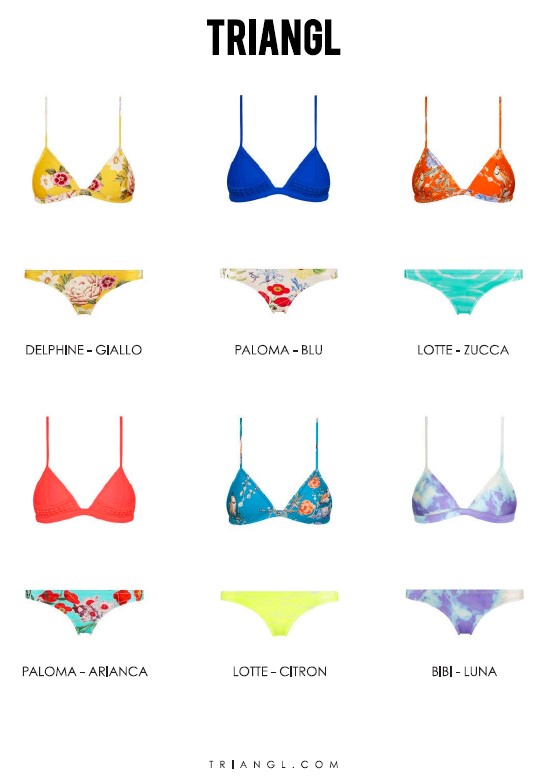
1. Pinnacle did not put into evidence any other screenshots from the TRIANGL website during the relevant period. For example, it did not put into evidence: (i) the home page; (ii) the page which appeared if the user clicked the “View All” button; or (iii) the page which appeared if the user clicked the “New Arrivals” button. In my view it did not provide the full context in which a person viewing the TRIANGL website in the relevant period would have seen and understood the pages on which Pinnacle’s case relied.
2. Mr Ellis said, and I accept, that in the relevant period potential Australian customers were required to take the following steps if they wished to make a purchase on the TRIANGL website:
3. visit the home page of the website which prominently bears the TRIANGL Trade Mark and name;
4. select their region as Australia, which then directed the customer to the page of the TRIANGL website targeted at Australia;
5. select an option labelled “Shop” from the range of options listed;
6. select an option from a drop-down menu of buttons which then appeared, namely one of “New Arrivals”, “TRIANGL”, “Balconnet”, “Cheeky”, “Strapless” and “View All” which in each case led to a page showing images of various TRIANGL bikinis together with the style name of that bikini and its price;
7. click on a particular product to arrive at a page dedicated to that product, at which a number of different viewing angles of the bikini were available;
8. select the size and bottom shape for the bikini and “add” the TRIANGL product to their “cart”;
9. click on a “check-out” button where they would be presented with an image of the product to the customer had selected together with the name of that product style, the size, bottom shape and price of that product;
10. click on a box labelled “continue to next step”, and then enter the shipping address and contact details;
11. select a shipping method, which was limited to a single method of Flat Rate Shipping of AUD$10 for Australian customers; and
12. confirm all of their previously entered details and provide payment details.
13. Mr Ellis said and I accept that during the relevant period the name DELPHINE appeared on the Australian version of the TRIANGL website if the user selected either the “New Arrivals” or “View All” buttons. Having regard to his evidence and the structure of the TRIANGL website, I infer that there were further relevant pages on the TRIANGL website to those Pinnacle adduced.
14. Mr Ellis adduced screenshots of webpages on the TRIANGL website, which I infer were taken when he made his affidavit in or about August 2018 and he said that the website had only been altered slightly in the period between April-June 2016 and August 2018. The only change he identified was that, during the relevant period, style names of each bikini style appeared under the relevant image, whereas by August 2018 the website had been changed so that the style names were only displayed if the computer mouse was hovered over the relevant image. I accept his evidence in this regard; having regard to which some limited inferences can be drawn about the appearance of the home page, the “New Arrivals” and the “View All” pages of the TRIANGL website during the relevant period.
15. One of the screenshots Mr Ellis adduced is a copy of the TRIANGL home page as at August 2018. It carries a prominent TRIANGL brand at the top, below which appear the following buttons: “Home”, “Shop”, “Triangl Girls”, “Lookbook”, “Customer Care”, “Sizing”, “Where to Buy”, and “My Account”; superimposed over a full-page image of a model wearing a Triangl branded bikini. The same buttons appear in the screenshots obtained by Ms Lambrianidis in May 2016. I infer that during the relevant period the home page had a similar structure with the same or similar menu items.
16. Mr Ellis also adduced a screenshot of the TRIANGL website as at August 2018 which shows the drop-down menu which appears when the “Shop” button is clicked. The menu has the following buttons: “New Arrivals”, “Cheeky Bum”, “High Waist”, “Triangl” “Crop Top”, “Strapless”, “Balconett”, “One Piece”, “Accessories”, and “View All”. Having regard to Mr Ellis’ evidence, it is likely that during the relevant period the “Shop” page of the TRIANGL website had a similar structure with the same or similar menu items.
17. As Mr Ellis’ evidence tends to show, upon clicking one of those buttons, the user would be taken to a page dedicated to that type of product, for example: “New Arrivals” which showed the latest collection, or “High Waist” which showed bikinis in a high waisted style or “Strapless” which showed strapless bikinis. I infer that if during the relevant period an Australian consumer clicked on:
18. the “View All” button, he or she would have arrived at a page with images of all of Triangl’s bikini styles, including the Triangl DELPHINE bikinis; or
19. the “New Arrivals” button, he or she would be arrive at a page with images of each the four new bikini styles Triangl was marketing as part of its Spring/Summer 2016 campaign, including the Triangl DELPHINE bikinis.

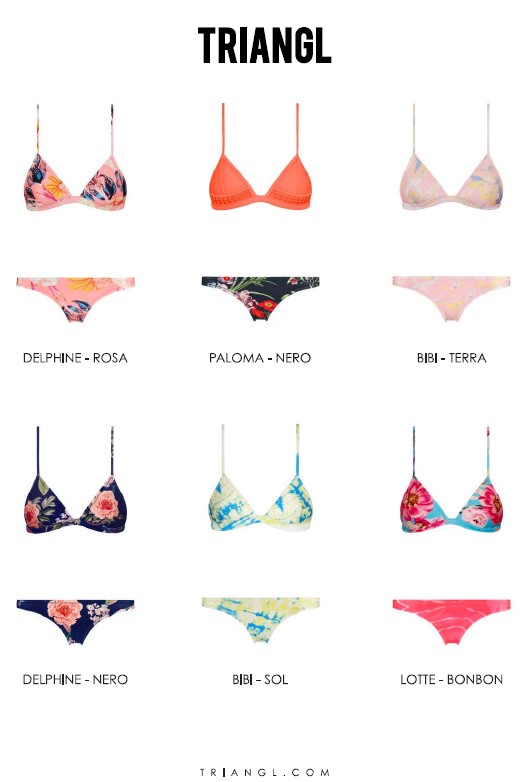
#### What is likely to have been shown to a consumer using the View All button

1. To understand what a consumer is likely to have seen upon clicking the “View All” button on the TRIANGL website during the relevant period, it is necessary to understand that Triangl marketed and sold many different bikini styles. Mr Ellis said and I accept that in 2016 Triangl had approximately 35 bikini styles. It is appropriate to infer that clicking on the “View All” button would take the user to images of 35 bikini styles which would appear above the style names of those bikinis. The number of bikini styles meant that the user would be required to scroll through a number of different views to see all of the bikinis, included in which was the Triangl DELPHINE bikinis.

#### What is likely to have been shown to a consumer using the New Arrivals button

1. For similar reasons, I infer that a user that clicked on the “New Arrivals” button during the relevant period would arrive at a page with images of the four new bikini styles Triangl had launched as part of its Spring/Summer 2016 campaign under their respective style names PALOMA, LOTTE, BIBI and DELPHINE. Like the three colour or pattern variants of the Triangl DELPHINE bikinis, the new PALOMA, LOTTE and BIBI bikini styles also had colour or pattern variants. Some of these variants can be seen from Triangl’s press pack, images from which are reproduced below.





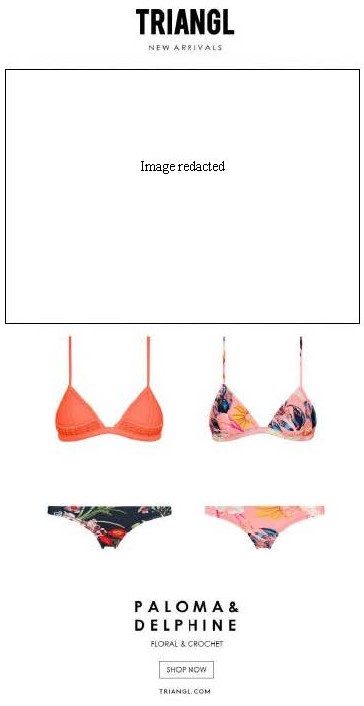
1. It is appropriate to infer that a consumer that clicked on the “New Arrivals” button on the TRIANGL website during the relevant period would be taken to images of four new TRIANGL bikini styles under their respective style names including the different variants of the new styles. The number of bikini styles meant that the user would be required to scroll through several views in order to see all the variants of the new collections, including the Triangl DELPHINE bikinis.
2. Thus, whether during the relevant period a user clicked on the “View All” or “New Arrivals” button on the TRIANGL website he or she would arrive at pages carrying images of a variety of TRIANGL bikini styles under different style names, including the Triangl DELPHINE bikinis. Then, if the consumer clicked on an image of those bikinis he or she would be taken to the images to which Ms Lambrianidis referred.

### The use of DELPHINE on the EDMs

1. It is uncontroversial that in the relevant period Triangl sent three EDMs to persons who had signed up on its website to receive such marketing. Copies of the EDMs were annexed to the affidavits of Ms Lambrianidis, Mr Petale, Mr Bucoy and Mr Ellis, images from which I reproduce below. It is though necessary to keep in mind that the EDMs would have been viewed by consumers as an attachment to an email.
2. Reproduced below is an image of the first EDM. It carries a prominent TRIANGL brand, centred at the top of the page, above an image of a model wearing a Triangl DELPHINE bikini, above images of the three Triangl DELPHINE bikini styles, followed by the name DELPHINE in a smaller and less prominent font than TRIANGL, above the words SUMMERTIME FLORALS in again smaller font, and above a SHOP NOW button over the name of the website TRIANGL.COM in again smaller font. It is unnecessary to show the image of the model and I have redacted it.



1. Reproduced below is an image of the second EDM. It carries a prominent TRIANGL brand, centred at the top of the page, above an image of two models wearing two different Triangl DELPHINE bikini styles, above images of two Triangl bikini styles, followed by the names PALOMA & DELPHINE in smaller and less prominent font than TRIANGL, above a SHOP NOW button over the name of the website TRIANGL.COM in again smaller font. I have again redacted the image of the models.



1. Reproduced below is an image of the third EDM. It also carries a prominent TRIANGL brand, centred at the top of the page, above an image of a model wearing a Triangl DELPHINE bikini, above the words AMBER FLORALS in the next largest font, followed by the name THE DELPHINE - FIORE GALLO in smaller font, above an image of the bikini that the model is wearing. Below that appears an image of three pattern variants of the same bikini, above a SHOP NOW button over the name of the website TRIANGL.COM in again smaller font. Again, I have redacted the image of the model.



## Pinnacle’s letter of demand and the filing of the proceeding

1. On 16 May 2016 Pinnacle’s solicitors, Actuate IP, sent a letter of demand to Triangl asserting that it was selling a range of swimwear online by reference to the name DELPHINE. The letter stated that Pinnacle owned the registered DELPHINE Trade Mark, which covered swimwear, and it enclosed copies of pages from the TRIANGL website, the EDMs, and the TRIANGL Facebook and Instagram accounts which showed Triangl’s use of DELPHINE in relation to its bikinis. Pinnacle alleged that Triangl’s marketing constituted trade mark infringement, misleading or deceptive conduct and passing off.
2. Pinnacle’s solicitors demanded that Triangl immediately cease any manufacture, importation, advertisement, promotion or sale of any products under or by reference to the DELPHINE Trade Mark, that Triangl execute an enclosed deed of undertaking, and that upon provision of financial and other information required under the deed, to pay compensation to Pinnacle. The deed of undertaking required that Triangl:
3. immediately cease and permanently refrain from infringing Pinnacle’s intellectual property rights;
4. not use or authorise the use of the name DELPHINE or any trade mark that is substantially identical or deceptively similar to the DELPHINE Trade Mark;
5. immediately cease and permanently refrain from manufacturing, importing, advertising, promoting, selling or otherwise dealing with any goods identical to or similar to the registered goods of the DELPHINE Trade Mark or which bear the name DELPHINE or any trade mark that is substantially identical or deceptively similar to the DELPHINE Trade Mark;
6. within seven days provide copies of all tax invoices, import/purchase orders, receipts and other documentation in its possession or control that relate to the manufacture, importation, sale, promotion or any other dealings with the alleged infringing products including but not limited to the number of units manufactured and/or imported into Australia, the number of units sold in Australia, the per-unit sale price in Australia, and the gross profit made on the sales;
7. within 14 days surrender to Pinnacle for disposal as it sees fit all infringing products as well as any advertising and promotional material relating to those products; and
8. refrain from representing that it has any connection, affiliation, sponsorship or association with Pinnacle or its products.
9. On 26 May 2016 Mr Ellis telephoned Ms Lambrianidis in response to the letter of demand. Ms Lambrianidis made a contemporaneous file note of the discussion that ensued. She was not cross-examined and I accept her file note as a reasonably accurate account of that conversation. The file note records the following:

* Craig said his company was not aware of our client’s DELPHINE brand up until they received our LOD.
* He appreciates the TM position given our client’s registered rights but he is not convinced that our client would be able to establish the ACL and passing off claims given DELPHINE is only 6 or so months old. He said he doesn’t think that they have an “amazing” reputation given this short use and certainly consumers would not be confused by their respective brands, particularly given DELPHINE is used in conjunction with the TRIANGL brand.
* He said that the adoption of the DELPHINE name was not in an attempt to be deceptive and was adopted without the knowledge of our client’s brand. His company has spent over US$1M being on the other side of the coin trying to protect its IP over the past three years so he is familiar with the process.
* Craig mentioned that they are an international business with no physical offices in AU and raised the difficulties of trying to serve court docs on foreign companies if Pinnacle want to pursue the matter further.
* He said he is not going to pay a lawyer to handle the matter and respond to us. Instead he wants to open up a discussion about the matter. He said that if Triangl dig their heels in our client will spend $20-$30K to sue them which in his opinion is not a commercially viable decision for a 6 month old brand. He considers that it is likely that our client has seen the success of Triangl and is now being opportunistic in trying to get some money out of them. He said hand on heart that if he thought they were deliberately ripping off our client’s brand and damaging it they would pay but that is not the case here.
* Craig said we would obviously advise our client not to waste its resources in pursuing such frivolous claims that is not worth it for them.
* I asked Craig whether he would be responding to the allegations in writing at all. He said no. I told him we will go back to the client with the matters discussed and ultimately how our client decides to proceed is entirely up to them. Irrespective of whether their adoption of the DELPHINE brand was intentional or not, our client’s trade mark rights have been infringed and they are entitled to enforce them. I also said that we are well versed with dealing with foreign companies and just because it could potentially be difficult to serve court documents on them, if it ultimately gets to that, doesn’t prevent our client from doing so.
* Craig’s email address is [email address redacted] and he is the owner of the company.

1. It appears that Mr Ellis was not at that point prepared to cease using DELPHINE as a style name. Instead he wanted to “open up a discussion about the matter”.
2. On 1 June 2016 Mr Petale and Ms Lambrianidis sent another letter to Triangl. The letter referred to Mr Ellis’ discussion with Ms Lambrianidis and noted that Triangl’s refusal to comply with Pinnacle’s demands:

…appears to be based upon the misguided assumption that our client lacks the resolve to enforce its legal rights against your company and that the fact that your company is based in Hong Kong would cause difficulties for our client in terms of effecting service and the overall conduct of those proceedings. Our client’s owners have been involved in the fashion industry for many years and in many other fashion ventures and labels apart from Delphine, and are well-versed in conducting these kinds of proceedings, including as against international entities.

It said that Pinnacle had instructed Actuate IP to prepare to initiate proceedings against Triangl.

1. On 2 June 2016 Mr Ellis telephoned Mr Petale in response to the 1 June letter. Mr Petale gave the following account of the discussion that ensued. He was not cross-examined and I accept that his account, set out below, is reasonably accurate:

(a) Mr Ellis said that Triangl had spent three years and close to US$1,000,000 defending its own intellectual property rights against infringers;

(b) Mr Ellis said that the name DELPHINE was chosen by Triangl as it was a girl’s name and Triangl used girls’ names for all its product lines;

(c) Mr Ellis said the name DELPHINE was being used descriptively;

(d) I said to Mr Ellis that using a girl’s name is not descriptive, and that it could still be use [sic] as a trade mark even when used as a secondary trade mark in conjunction with the primary trade mark TRIANGL;

(e) Mr Ellis said that the conduct of Triangl cannot have amounted to passing off, being it was unintentional;

(f) I said to Mr Ellis that passing off was only one of the claims made by Pinnacle, and that, at the very least in relation to the trade mark infringement claim, it is irrelevant whether or not use of the trade mark was intentional;

(g) I said to Mr Ellis that Pinnacle’s primary concern was for Triangl to cease using the DELPHINE name, but that Pinnacle still also required the financial information sought in the First Letter and Second Letter in order to determine what, if any, monetary compensation it ought to seek from Triangl;

(h) Mr Ellis said that Triangl would be willing to cease using the DELPHINE name, and issue an apology, but only if Pinnacle agreed to forego any claim for monetary compensation;

(i) Mr Ellis said that Pinnacle should not need any financial information from Triangl in order to determine what damages it had suffered;

(j) I said to Mr Ellis that in legal proceedings Pinnacle would have the option of seeking either damages or an account of profits and therefore the requested financial information was relevant to Pinnacle’s assessment;

(k) Mr Ellis asked how much money Pinnacle intended to spend on legal proceedings in relation to this matter and whether it expected to profit from those proceeding in light of the potential monetary compensation involved;

(l) I said to Mr Ellis that it was ultimately Pinnacle’s decision whether or not to commence legal proceedings to protect its intellectual property rights, and that in any case Pinnacle was not in a position to answer Mr Ellis’ question given that it did not have the requested financial information from Triangl;

(m) I then asked Mr Ellis to confirm what Triangl’s position was in relation to the demands made in the First Letter and Second Letter, so that I could relay that position to Pinnacle;

(n) Mr Ellis said that Triangl would be willing to cease using the DELPHINE name, and issue an apology, but only if Pinnacle agreed to forego any claim for monetary compensation;

(o) I said that I would relay Mr Ellis’ statements to Pinnacle and then the call was ended.

1. It appears that by this point Mr Ellis’ position had shifted and he was prepared to agree to Triangl ceasing to use the name DELPHINE and to provide an apology, but only if Pinnacle agreed not to pursue a claim for damages.
2. By the following day Mr Ellis’ position had shifted one step further. On 3 June 2016 he sent an email to Mr Petale and Ms Lambrianidis in which he strongly contested the assertion that Triangl was infringing the DELPHINE Trade Mark but said that Triangl had “in good faith” removed the name DELPHINE from all of its global websites and changed the name of the relevant bikini style to DELILAH. On the presumption that this step would be sufficient to quell the dispute, Mr Ellis requested that Pinnacle provide Triangl with a letter stating that no further action would be taken by it.
3. Pinnacle did not agree to take no further action. On 7 June 2016 Mr Petale wrote to Mr Ellis and rejected the contention that Triangl’s use of DELPHINE did not infringe Pinnacle’s registered mark. Mr Petale seemed to accept that Triangl was no longer advertising bikinis for sale under the name DELPHINE and had changed the name of the particular style to DELILAH, but he required Triangl to provide the undertakings and the sales and financial information earlier demanded, together with delivery up of any infringing products bearing the DELPHINE mark as well as any advertising material relating to those products. He gave Triangl until close of business on 10 June 2016 to meet those demands.
4. On 10 June 2016 Mr Stephen Stern, a partner of Corrs, sent an email to Mr Petale advising that he had been instructed to act for Triangl and seeking further time within which to provide a response to the 7 June letter. It is unnecessary to repeat the arguments Mr Stern advanced except to note that they are essentially the same as the submissions Triangl ultimately advanced in defending this proceeding. Mr Stern said that Triangl had:

… as a gesture of good faith (and without any admission of liability), ceased and hereby agrees to forever desist from using the name Delphine in relation to its swimwear products. Indeed, our client was invited to do so by your firm as a way of resolving the entire issue and now considers this matter closed.

1. Pinnacle did not accept that Triangl’s agreement to cease using DELPHINE resolved the issue. On 6 July 2016 Mr Petale requested Mr Stern’s advice as to whether he had instructions to accept service on Triangl’s behalf. On 11 July 2016, Mr Stern said that he did not have such instructions. Later that day Mr Ellis telephoned Mr Petale and asked why proceedings had been commenced when Triangl had ceased to use the name DELPHINE. Mr Petale said that Pinnacle required Triangl to comply with its other demands including by providing the requested financial information.
2. On 13 July 2016 Pinnacle filed the proceeding.
3. In cross-examination Mr Ellis agreed that he sought to dissuade Pinnacle from taking any proceedings against Triangl for trade mark infringement. He said that he did so because he considered litigation to be counter-productive in terms of the costs and resources involved and he wanted to emphasise to Pinnacle and its lawyers that it would be difficult and expensive for it to pursue Triangl in regard to the alleged infringement. I accept that evidence. I also accept Pinnacle’s contention that Mr Ellis likely declined to instruct Mr Stern to accept service of the proceeding and that he did not inform Pinnacle’s solicitors that it (initially) brought the proceeding against the wrong Triangl entity.
4. Ultimately, Pinnacle experienced significant difficulties in serving the proceeding on Triangl in Hong Kong and service was achieved through an order for substituted service. In cross-examination Mr Ellis denied that he did not alert Pinnacle to the fact that it had commenced the proceeding against the wrong Triangl entity because he wanted to make the case as difficult and expensive as possible for Pinnacle. Mr Ellis said that the last thing he was thinking about was whether Pinnacle was suing the right entity, and in any event the name of the proper respondent and its address appeared on the EDMs. Essentially he said that he did not inform Pinnacle of its mistake because he had a lot to do and he had to prioritise his work. I accept the thrust of this evidence but I also infer that he did not think that it was his obligation to inform Pinnacle of its mistake.

## The screenshots obtained through the Wayback Machine

1. Triangl sought to rely on the affidavit of Mr Lalande, a trade mark practitioner with Corrs. He deposed that he undertook online searches in July and August 2018 to search for historic versions of the websites of a range of women swimwear brands and fashion brands over the period from 2012 until June 2016. To carry out those searches he used the digital library of the Internet Archive, a not-for-profit organisation, which created and operates the website at <http://web.archive.org> (known as the ‘Wayback Machine’). The Wayback Machine purports to archive pages of the internet such that they can later be accessed through a search functionality.
2. Mr Lalande said that:
3. on 20 July and 25 July 2018 he used the Wayback Machine to carry out searches of the websites of a range of women swimwear brands which sell swimwear in Australia for uses of women’s names as style names in relation to women’s swimwear over the period January 2016 to June 2016. He took screenshots of pages from those websites and attached them to his affidavit. If those screenshots are accepted as admissible they show that on various dates over the relevant period women’s swimwear brands named Baku Swimwear, Gypsea Swimwear, Myra Swim, Palm Swimwear, Rip Curl, Tigerlily, and Solid & Striped used women’s names in relation to their swimwear styles. The screenshots show approximately 45 examples of the use of women’s names as style names; and
4. on 15 August 2018 he used the Wayback Machine to carry out searches of the websites of the fashion brands referred to by Mr Saunders in his report, over the period when Mr Saunders deposed that those fashion brands were his clients, again for use of women’s names as style names. He took screenshots of pages from those websites and attached them to his affidavit. If those pages are accepted as admissible they show that on various dates in 2012, 2013, 2015 and 2016, fashion and footwear brands such as Aje, Crocs, Lee Matthews, Moss & Spy, Triumph and Zambelli used women’s names in relation to women’s clothing and footwear.

Some of the pages appear to have been aimed at Australian consumers because they carry prices in Australian dollars, and others do not. I have not had regard to the screenshots that are not obviously directed at Australian consumers.

1. From his searches Mr Lalande tabulated the relevant fashion brand, product type (e.g. bikini top and bottom, silk top, maxi dress or shirt), the women’s name used, and the date of the page he sought to rely on. The tables are only for clarity and they do not add anything to the information contained in the screenshots.
2. Triangl sought to adduce his evidence for the limited purpose of showing that, up to and including the relevant period, consumers in Australia were used to seeing women’s names used as style names in relation to women’s fashion, including women’s swimwear.
3. Pinnacle objected to the admissibility of the screenshots and tables on the basis that this evidence was inadmissible hearsay under s 59 of the *Evidence Act 1995* (Cth) (the **Evidence Act**). Pinnacle argued, in the alternative, that they should be excluded under the general discretion pursuant to s 135 or their use limited under s 136 to use which does not include establishing that prior to the relevant period traders in Australia actually used the names listed in the course of trade.
4. Triangl contended that the screenshots were not hearsay as it did not seek to adduce them to prove the truth of their contents. I do not accept that. Triangl relied upon the screenshots to make out its assertion that, up to and including the relevant period, consumers in Australia were used to seeing women’s names used as style names in relation to women’s fashion, including women’s swimwear. Each screenshot only assists to establish that asserted fact if its content is accepted as showing that the website of the relevant fashion brand or online retailer marketed items of women’s fashion or swimwear in Australia and used women’s names as a style names in relation to those goods. In my view Triangl sought to use the screenshots to prove the truth of their contents. They are evidence of a previous out of court representation by the relevant fashion house or online retailer to prove the fact asserted by the representation, which is inadmissible unless it falls within one of the exceptions to the hearsay rule.
5. There are authorities which provide that such documents do not fall within the business records exception in s 69 of the Evidence Act but, for the reasons I explain, I consider that they do.
6. In *Roach v Page (No 27)* [2003] NSWSC 1046 (***Roach v Page (No 27)***), Sperling J held that extracts from websites operated by Irish and Dutch peat exporters, which described the quality control procedures undertaken by those businesses, constituted inadmissible hearsay. His Honour referred to his earlier ruling in *Roach v Page (No 15)* [2003] NSWSC 939 in which he had observed that not every publication by a business is a “record of the business” within the meaning of s 69. In the earlier ruling (at [5] and [6]), Sperling J said:

The records of a business are the documents (or other means of holding information) by which activities of the business are recorded. Business activities so recorded will typically include business operations so recorded, internal communications, and communications between the business and third parties.

On the other hand, where it is a function of a business to publish books, newspapers, magazines, journals (including specialised professional, trade or industry journals), such publications are not records of the business. They are the product of the business, not a record of its business activities. Similarly, publications kept by a business such as journals or manuals (say, for reference purposes) are not records of the business.

1. In *Roach v Page (No 27)* Sperling J said (at [9]-[12]):

So far as is presently relevant, it is the recording of business activities in the course of carrying on the business which is critical. The publication of a book by a business providing a history of the business may record details of the business carried on but it is not a “record of business” within the meaning of s 69. Similarly, a flyer or a media advertisement or a website publication, extolling the virtues of the business in the way such publications do, is not a record of a business merely because it purportedly records activities of the business.

It is necessary to place such a restrictive construction on s 69 because it cannot have been intended that publications of this kind would qualify, any more than it would have been intended that – in the ordinary course – books, magazines or newspapers published by the business would be covered by that section.

**The thinking behind the section is clear enough. Things recorded or communicated in the course of the business and constituting or concerning business activities are likely to be correct. There is good reason for the courts to afford to such records the same kind of reliability as those engaged in business operations customarily do. The same is not true of publications made for wider dissemination, for entertainment, for advertising or for public relations purposes. Such publications are justifiably received with healthy scepticism**.

The publications now tendered are not business records within the meaning of s 69.

(Emphasis added.)

1. Sperling J’s reasoning has been cited with approval on many occasions, including in: *Hansen Beverage Company v Bickfords (Australia) Pty Ltd* [2008] FCA 406; (2008) 75 IPR 505 at [133] (***Hansen Beverage***) (Middleton J); *National Telecoms Group Ltd v John Fairfax Publications Pty Ltd (No 1)* [2011] NSWSC 455 at [70]-[71] (Davies J); *McMahon v John Fairfax Publications Pty Ltd (No 4)* [2012] NSWSC 216 at [22]-[26] (McCallum J); and *Australian Competition and Consumer Commission v Air New Zealand Limited (No 5)* [2012] FCA 1479; (2012) 301 ALR 352 at [11]-[15] (Perram J). Pinnacle relied on this line of authorities to argue that the screenshots are not “business records” within the ambit of s 69.
2. Sperling J’s remarks in relation to the reliability of representations made on business websites are well made, and there are sound policy reasons for treating some parts of business websites as not having the reliability of business records. Having said this, to decide whether a document is a business record requires consideration of the type of document in issue and its contents. I respectfully agree with O’Bryan J’s observations in *Rodney Jane Racing Pty Ltd v Monster Energy Company* [2019] FCA 923; (2019) 42 IPR 275 (***Rodney Jane Racing***)(at [175]-[177]) where his Honour said:

Sperling J’s rulings were, of course, directed to the specific types of documents in issue before him. In *Southern Cross Airports v Chief Cmr of State Revenue* [2011] NSWSC 349, Gzell J cautioned against applying Sperling J’s reasoning as a rule of law in place of the statutory test, stating (at [41]-[44]):

I do not understand Sperling J to have spoken categorically about what constituted a business record. In addition to the documents by which activities of a business are recorded I would include as business records documents relevant to the conduct of the business.

The introductory words of s 69(1)(a)(i) of the Evidence Act that the provision applies to a document that is, or forms part of, the records belonging to or kept in the course of, or for the purposes of a business, encompasses more than documents recording the activities of a business.

For example, a valuation of the assets of a business for insurance purposes or for the purpose of determining appropriate depreciation rates does not record the activities of a business but it is kept in the course of, or for the purposes of, the business.

It is preferable, in my view, not to seek to define a business record but to be guided to a decision whether or not a document is a business record by the terms of the statutory provision itself.

Similarly, in *Charan v Nationwide News Pty Ltd* [2018] VSC 3, Forrest J observed (at [463]):

…the distinction between “product” and “records” is problematic. It does not appear in the text of s 69(1). The language used in the provision is broad and appears to encompass any documents kept by a person, body or organisation “in the course of, or for the purposes of” a business. To exclude documents that are part of the records of an organisation, however generated and for whatever purpose under this provision (as opposed to a subsequent discretionary exclusion under s 135) involves, I think, an artificial distinction not covered by the wording of the section.

As recognised by Perram J in both *ACCC v Air New Zealand Ltd (No 5)* and *Voxson Pty Ltd v Telstra Corporation Ltd (No 10)* (2018) 134 IPR 99 at [37] (***Voxson***), there is no invariable rule that pages of a website are not business records within the meaning of s 69. Ultimately, whether the results of an internet search can be shown to be a business record within the meaning of s 69 depends upon the content of the webpage and what is able to be established (whether directly or by inference) about the content of the page. Business records include invoices (as per *Asden Developments Pty Ltd (in liq) v Dinoris (No 2)* (2015) 235 FCR 382 at [11]-[16] per Reeves J) and contractual terms and conditions and customer communications (as per *Dowling v Commonwealth Bank of Australia* [2008] FCA 59 at [13], [15] per Reeves J).

1. O’Bryan J concluded (at [178]):

In my view, **documents by which a business offers a product for sale, which typically includes a description of the product and the price and possibly other terms and conditions of the offer, would constitute business records within the meaning of s 69. That would be so whether the documents are made available to potential customers via the company’s website or in the company’s retail store.** However, documents which are merely promotional or descriptive of the activities of a company, such as might be found on an “About Us” link on a website, are unlikely to constitute business records, consistently with the conclusions reached in *Roach v Page (No 27)* and *ACCC v Air New Zealand (No 5)*.

(Emphasis added.)

1. Selling goods or services online is now one of the most common methods by which retail commerce is undertaken, and the terms of the transaction are those set out on the website of the business. The part of a business website which offers a particular product for sale under a product name, with a product description and at a specified price is more than “a flyer or a media advertisement or a website publication extolling the virtues of the business”, to use Sperling J’s expression. It sets out the essential terms of the proposed transaction, which will be completed if the consumer clicks on another button on the website and provides his or her credit card details. If there is any dispute between the trader and a consumer in relation to the product sold through the website or its price, that part of the website will be central in the determination of that dispute. In my view it is appropriate to treat the content of a webpage that sets out the product name, description and price as a business record. Except perhaps in circumstances of fraud or misleading or deceptive conduct, of which there is no suggestion in the present case, it is hard to see why a business website would offer a product for sale under a product description and name and at a specified price unless that was actually the position. Such material is likely to be reliable.
2. In my view the type of screenshots in issue in the present application fall within the “business records” exception to the hearsay rule in s 69. They either are or form part of the records belonging to or kept by the relevant fashion house or online retailer in the course of or for the purposes of its business, or at any time was or formed part of such a record. They contain a previous representation as to the product name, description and price made or recorded on the webpage in the course of or for the purposes of that business, and it is appropriate to infer that information was put on the website by a person who had or might reasonably be supposed to have had personal knowledge of the asserted fact, or was made on the basis of information directly or indirectly supplied by such a person.
3. The question is, however, complicated by the fact that the screenshots (taken in 2018) purport to be screenshots of pages from websites as they appeared between 2012 and 2016, obtained by using the Wayback Machine. Each screenshot purports to be a digital copy of a page said by the Internet Archive to have been present on the website of the relevant fashion house or online retailer on the date specified. Each image therefore involves a representation by the Internet Archive that it copied the page into its archive and recorded the date on which it did so and that the page which appears in its archive is the page which existed on that date. Triangl sought to adduce the screenshots as evidence that those website pages were in fact in that form, on those dates.
4. In *Voxson Pty Ltd v Telstra Corporation Limited (No 10)* [2018] FCA 376; (2018) 134 IPR 99 (***Voxson***) at [35]-[37] Perram J considered the admissibility of archived webpages produced by the Wayback Machine, through which Voxson sought to prove the truth of their contents. His Honour said that this “involves second-hand hearsay: a representation by the operator of the Wayback Machine that the webpages had a particular content on a particular date and a representation by the Respondents by means of the pages in question as to the matters which Voxson seeks to prove.”
5. Copies of historical versions of webpages obtained by use of the Wayback Machine have been held to constitute inadmissible hearsay in a number of cases, including *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* [2008] FCA 934; (2008) 77 IPR 69 (***Gallo Winery***) at [126]-[127] (Flick J); *Shape Shopfitters Pty Ltd v Shape Australia Pty Ltd (No 2)* [2017] FCA 474 (***Shape Shopfitters***) at [21]-[23] (Mortimer J); *Voxson* at [35]-[37] (Perram J) and *Rodney Jane Racing* at [169], [179].
6. I note however that, in each of those cases, there was no admissible evidence before the Court as to the operation of the Wayback Machine.
7. In *Gallo Winery* Flick J said (at [124]) the only material before the Court as to the operation of the Wayback Machine was a page from the Internet Archive website which said:

The Internet Archive Wayback Machine is a service that allows people to visit archived versions of Web sites. Visitors to the Wayback Machine can type in a URL, select a date range, and then begin surfing on an archived version of the Web.

His Honour said (at [127]) that:

Nothing is known as to the “business” of the “Internet Archive Wayback Machine” other than the hearsay statement itself that it “allows people to visit archived versions of Web sites.” And nothing is known as to the knowledge of the persons who recorded the information.

1. In *Shape Shopfitters* (at [23]) Mortimer J said the reasoning adopted by Flick J in *Gallo Winery* was applicable in this case because “no evidence has been adduced to this Court in relation to the provenance of the Internet Archive WayBack Machine.”
2. In *Voxson* the only information before the Court as to the operation of the Wayback Machine was again a page from the Internet Archive website. Perram J said (at [37]):

An attempt was made to prove some facts about the Wayback Machine from its public information page at archive.org/about. However, that involves relying on that page for the truth of its contents which is a hearsay use of the material (to which objection was taken).

and

1. In *Rodney Jane Racing* O’Bryan J said (at [181]) that no evidence had been adduced concerning the business of the Wayback Machine.

This stands in contrast to the present case where the Court has the evidence of Mr Butler, an employee of the Internet Archive, as to the operation of the Wayback Machine. In my view the earlier decisions can be distinguished on that basis.

1. I consider that the representation by the Internet Archive – that the Wayback Machine copied the relevant webpage into its archive and recorded the date on which it did so, and that the page retrieved from its archive is the same page which existed on that date – is only hearsay under s 59 if the archiving and retrieval process involved human input. That is, that a person or persons was involved in copying and uploading the page to the Internet Archive database or later retrieving it for production. Section 59 of the Evidence Act is concerned with representations “made by a person”. In Odgers S, *Uniform Evidence Law*, (14th ed, Lawbook Co, 2019) at 382 the learned author states “[i]t is clear that this provision does not apply to machine generated information in respect of which there is no relevant human input.” In *Cross on Evidence* (10th Aust ed, Lexis Nexis Butterworths, 2015) 1,358 [35560], Heydon J.D. similarly states that “the narrow definition of hearsay in s 59 as ‘evidence of a previous representation made by a person’ does not render machine-generated material hearsay” (emphasis in original). In *Australian Competition and Consumer Commission v Meriton Property Services Pty Ltd* [2017] FCA 1305; (2017) 350 ALR 494 at [43] Moshinsky J cited these references with apparent approval.
2. If the archive of webpages held within the Internet Archive is automatically populated by a software program that crawls the internet, capturing the content of pages as it goes and producing the archived pages on request then, at least insofar as the above representation is concerned, the pages produced by the machine do not fall within the scope of s 59. That is because they cannot, at least in any meaningful way, be said to be representations made *by a person*: see Gans J, Palmer A and Roberts A, *Uniform Evidence*, (3rd ed, Oxford University Press 2019) [5.2.4].
3. To establish that the archiving and retrieval of historic webpages by operation of the Wayback Machine does not involve human input Triangl relied on the evidence of Mr Butler, the office manager of the Internet Archive. He was cross-examined. Mr Butler said (at paragraphs [2] to [5] of his affidavit):

The Internet Archive is a website (located at https://archive.org) that provides access to a digital library of Internet sites and other cultural artefacts in a digital form. Like a paper library, the Internet Archive provides free access to researchers, historians, scholars, and the general public. …

The Internet Archive has created a service known as the Wayback Machine (located at https://web.archive.org). The Wayback Machine makes it possible to surf more than 400 billion pages stored in the Internet Archive’s web archive. Visitors to the Wayback Machine can search archives by URL (i.e., a website address). If archived records for a URL are available, the visitor will be presented with a list of available dates. The visitor may select one of those dates, and then begin surfing on an archived version of the Web. The links on the archived files, when served by the Wayback Machine, point to other archived files (whether HTML pages or images). If a visitor clicks on a link on an archived page, the Wayback Machine will serve the archive file with the closest available date to the page upon which the link appeared and was clicked.

**The archived data made viewable and browseable by the Wayback Machine is compiled by the Internet Archive using software programs known as crawlers that surf the Web and automatically store copies of website files, preserving these files as they exist at the point of time of capture.**

The Internet Archive assigns a URL on its site to the archived files in the format http://web.archive.org/web/[Year in yyyy][Month in mm][Day in dd][Time code in hh:mm:ss]/[Archived URL]. Thus, the Internet Archive URL http://web.archive.org/web/19970126045828/http://www.archive.org/ would be the URL for the record of the Internet Archive homepage HTML file (http://www.archive.org) archived on January 26, 1997 at 4:58 a.m. and 28 seconds (1997/01/26 at 04:58:28). A web browser may be set such that a printout from it will display the URL of a webpage in the printout’s footer. The date assigned by the Internet Archive applies to the HTML file but not to image files linked therein. Thus images that appear on the printed page may not have been archived on the same date as the HTML file. Likewise, if a website is designed with “frames”, the date assigned by the Internet Archive applies to the frameset as a whole, and not the individual pages within each frame.

(Emphasis added.)

1. Pinnacle objected to the admissibility of paragraphs [4] and [5] of Mr Butler’s affidavit on the basis that they were themselves inadmissible hearsay, or alternatively that they ought be excluded under the general discretion pursuant to s 135, or their use limited under s 136. The gist of its objection was that Mr Butler did not have personal knowledge of the precise operation of the Wayback Machine and that his asserted knowledge as to its operation was merely what he had been told by other persons employed by the Internet Archive. Pinnacle also contended that Triangl did not establish that the screenshots were accurate and reliable copies of the webpages as they appeared between 2012 and 2016.
2. Mr Butler testified that he has been the office manager of the Internet Archive for the past nine years, working within the Administration and Finance division of the organisation, which is a different division to the division responsible for the web archiving program. The latter division has specialist engineers responsible for creating and maintaining the web crawler programs and systems. He said that he does not have any responsibility for, nor the professional capability to perform, computer programming. He does not design or maintain the programs used within the web archiving division and he does not work on or understand the computing codes or algorithms behind the web crawler programs.
3. It is clear that there would be persons employed by the Internet Archive who would be better placed than Mr Butler to give evidence about the operation of the Wayback Machine, but for its own operational reasons the Internet Archive makes only Mr Butler available to give such evidence. He said that he has given depositions regarding the Wayback Machine on approximately 25 to 30 occasions and that he has handled all of the requests for such testimony since early 2009. While it would have been better if one of the Internet Archive’s computer engineers gave evidence about the Wayback Machine’s operation, I consider Mr Butler's evidence to be sufficient to establish that there is no relevant human input in the archiving and retrieval of webpages by the Wayback Machine.
4. Essentially this is because Mr Butler deposed that he made his affidavit from his own personal knowledge save where stated otherwise or where the context indicated to the contrary. He said that the Wayback Machine uses “software programs known as crawlers that surf the Web and automatically store copies of website files, preserving these files as they exist at the point of time of capture.” He was cross-examined and the thrust of his evidence remained that, on the basis of his own experience, he was not aware of any human action involved in the archiving process once a web crawler has found a particular web page, and that there was no human intervention in the process of a web crawler actively requesting a record and storing it along with the attendant metadata that web crawlers usually gather so that the record can be preserved and later incorporated into a search.
5. Mr Butler was a credible witness and he readily made concessions about the gaps in his knowledge including by conceding that he does not have personal knowledge of the computer code or algorithms lying behind the web crawlers’ operations. But that does not mean that he does not know, from his own personal knowledge, that the Wayback Machine *automatically* archives and retrieve webpages, that is, without relevant human input.
6. He has been employed as the office manager of the Internet Archive for nine years and it is appropriate to infer from his position and the length of his employment that he would know whether or not the organisation employs people to undertake duties which involve archiving and retrieving webpages, and appropriate to conclude that he has a proper basis for his evidence that the work involved in undertaking such tasks at the Internet Archive does not involve human input.
7. Other aspects of his evidence also show that his knowledge about the Wayback Machine is not limited to what had been told by others. He said that he had operated a web crawler through an interface that the organisation provided to its partners and that he had archived individual pages (which I understood to be an interface provided to show how a web crawler operates rather than a contradiction of his express evidence that the archiving and retrieval of webpages did not involve relevant human input). Mr Butler also said that, while he did not have the professional capacity to check within the computer system, he had on various occasions personally checked that the Wayback Machine took the user to the closest archived file to the date searched.
8. I can see no proper basis to treat Mr Butler’s evidence as inadmissible hearsay, nor to exclude it under s 136 on the basis that its probative value is substantially outweighed by the danger that it might be unfairly prejudicial to Pinnacle, or to limit its use under s 135 because of the danger that the evidence might be unfairly prejudicial to Pinnacle. On the basis of his evidence I am satisfied that there is no relevant human input in the archiving and retrieval of webpages by the Wayback Machine. The screenshots Triangl sought to adduce through Mr Lalande are not inadmissible hearsay.
9. Nor do I accept Pinnacle's contention that the screenshots and the tables Mr Lalande created from them should be excluded pursuant to the discretion in s 135, or that the use of that evidence should be limited under s 136.
10. Pinnacle’s contention that the screenshots should not be considered to be reliable copies of the webpages as they appeared at the time has little merit when one has regard to the limited purpose for which Triangl relied on them. While Mr Butler accepted that it is possible for the Wayback Machine to reproduce historic pages which do not include all of the archived external links, and that it is possible for images to become separated from text, the presence or absence of any external links and the possibility that images could be separated from text is of no significance in the present case. Each screenshot is only advanced to show that as at the date recorded the relevant website advertised an item of women’s apparel or swimwear using a woman’s name as a style name.
11. Recently, in *Dyno Nobel Inc v Orica Explosives Technology Pty Ltd (No 2)* [2019] FCA 1552 at [9], Burley J held that printouts of pages obtained by using the Wayback Machine constitute hearsay. While his Honour had evidence from Mr Butler regarding the operation of the Wayback Machine it does not appear that he was asked to consider whether the printouts did not constitute hearsay because they were machine generated and the relevant representation was not made “by a person”.
12. In relation to the reliability of printouts of webpages obtained through the Wayback Machine his Honour said (at [21]):

The evidence of Mr Butler explains the mechanical process by which the Wayback materials are collected. It operates to capture and date the ephemera of the internet. I accept that the Wayback materials are likely to be a reliable indication of the content of the i-kon website at different points of time. … Having regard to the process by which the Wayback materials are collected and retrieved, and in the absence of material pointing to inaccuracy or other reasons why they should not be accepted, it seems to me that the objection advanced by Orica is purely technical in nature, and is not based on an absence of probative value or relevance of the materials concerned…

In the circumstances Burley J considered it appropriate to exercise the power under s 190(3) of the Evidence Act to waive s 59, and to accept the printouts of webpages produced by the Wayback Machine as admissible.

1. I take a similar view of the reliability of the screenshots Triangl sought to adduce in the present case. Pinnacle cannot test the screenshots by cross-examination but having regard to the limited purpose for which it is adduced, and the other evidence, it is not unfairly prejudicial to Pinnacle to admit the evidence. Essentially this is because:
2. like Burley J, I consider that the screenshots are likely to be a reliable indication of the content of the relevant websites at different points in time. Even if there were some small errors in the reproduction of a webpage or in the date recorded, such variance would be of little moment having regard to the circumstances of the present case and the limited purpose for which the evidence is adduced; and
3. Pinnacle did not cross-examine Mr Ellis and Mr Saunders on their evidence that the use of style names, including women's names, in the women's fashion industry in Australia was commonplace. Mr Bucoy himself accepted that traders in the women’s fashion industry assign style or product names to their products because it is a more convenient way of identifying the product, more convenient than requiring either the business or the customer to have to describe all the characteristics of the garment they are talking about, and easier and more convenient than using a model or style number. Further, the evidence shows that Pinnacle itself repeatedly used style names, including women’s names, in relation to DELPHINE Products. It is difficult to see what prejudice Pinnacle might suffer through its inability to cross-examine the operators of the relevant websites when the screenshots do no more than show examples of a practice which Mr Bucoy accepted was common.
4. Sections 57 and 146 of the Evidence Act also bear upon this analysis. Section 57 provides that, where the relevance of evidence adduced by a party depends on the court making another finding, including a finding that the evidence is what the party claims it to be, the court may find that the evidence is relevant if it is reasonably open to make that finding. Having regard to the unremarkable content of the screenshots obtained by use of the Wayback Machine, the evidence of Mr Butler as to its operation, and because the screenshots are adduced for a limited purpose, I consider it is reasonably open to find that the screenshots are copies of webpages as they existed on the dates represented.
5. Section 146(1) applies to “a document or thing”; (a) that is produced wholly or partly by a device or process; and (b) that is tendered by a party who asserts that, in producing the document or thing, the device or process has produced a particular outcome. Section 146(2) provides:

If it is reasonably open to find that the device or process is one that, or is of a kind that, if properly used, ordinarily produces that outcome, it is presumed (unless evidence sufficient to raise doubt about the presumption is adduced) that, in producing the document or thing on the occasion in question, the device or process produced that outcome.

1. On the basis of Mr Butler’s evidence, it is reasonably open to find that the Wayback Machine, if properly used, ordinarily produces the webpage that the machine automatically archived on an earlier date. It is to be presumed that the machine produced that outcome unless evidence is adduced sufficient to raise doubt about the presumption and Pinnacle did not do so.
2. Finally, I should note that notwithstanding the strenuous dispute between the parties in relation to whether the relevant screenshots are admissible, little or nothing turns on whether they are. Even if the screenshots are not accepted as admissible, having regard to the evidence of Mr Bucoy, Mr Ellis and Mr Saunders I am satisfied that up to and including the relevant period consumers in Australia were used to seeing women’s names used as style names in relation to women’s fashion, including women’s swimwear. The screenshots merely provide examples of such use over the period from 2012 to 2016.

## The expert evidence

### Dr Downes’ evidence

1. Dr Downes, a lecturer in marketing and a marketing consultant, was engaged by Pinnacle to provide an expert opinion and he provided two reports dated 27 March 2018 and 18 September 2018, respectively.
2. He is the principal and founder of QBrand Consulting Pty Ltd which specialises in management consulting relating to business strategy, marketing communication strategy, brand strategy, marketing and consumer research and creative direction and development for a range of business clients. He has worked continuously in the field of marketing and communications since 1988, doing so for a number of different organisations.
3. He graduated with the degree of Master of Marketing from Melbourne University in 2004. From July 2004 to December 2006 he was a Lecturer in the School of Economics, Finance and Marketing at RMIT University (**RMIT**), and he coordinated postgraduate courses in Brand and Product Management and Services Marketing and Management as part of RMIT’s Master of Business (Marketing) program. From February 2007 to June 2009 he was a Lecturer and course coordinator in the Master of Communications (Advertising) program at RMIT, and instructed or lectured in the postgraduate courses in Advertising Theory and Practice and Advertising Strategy Planning. From February 2016 to June 2017 he was a sessional Lecturer at the University of Melbourne where he taught the postgraduate subject Brand Management as part of that university’s Master of Marketing program. He has provided expert evidence for a wide range of clients in relation to marketing and survey design in the legal and regulatory matters concerning trade practices, trade marks and advertising.
4. Dr Downes said that brand associations are learned by consumers, both actively and passively, through exposure to marketing activities, particularly marketing communications, undertaken by the brand owner and through direct experience of the brand in retail and consumption settings and in use. He explained his opinion that names, logos, symbols and colours that are used by traders may become “brand elements” or “brand identity elements”. He said such brand elements become stored in the memories of consumers as nodes and they serve as ‘hooks’ from which other less tangible but potentially more valuable associations, meanings and attitudes, can be hung.
5. For example, Dr Downes explained that the Coca-Cola brand is not stored in a consumer’s memory as a single mark. He said the branding elements in a consumer’s mind are likely to include, amongst other things, the words “Coca-Cola” and “Coke” and specific fonts and design elements such as the ‘dynamic ribbon device’, the shape of the iconic Coca-Cola bottle and a predominantly red and white colour scheme.
6. Dr Downes described the concept of *brand equity* which he defined as the value that a brand adds above the value of the generic product or service at its core, in terms of the differential marketing effects and consumer responses uniquely attributable to the brand. He said that many companies also seek to ‘license’ well-known brands owned by other companies in order to transfer awareness and favourable associations from that brand to their products. He said that by adopting some brand elements used by a successful brand another trader can capture some of the value of the set of associations that already exist in the minds of consumers familiar with that brand.
7. He said that a portfolio of brands and brand extensions, and the hierarchy and interrelationships of brands within that portfolio, is often described by the name “brand architecture”. In Dr Downes’ opinion the simplest representation of possible levels of the brand hierarchy is as follows, from top to bottom:
8. corporate or company brand, which is the overall or head brand;
9. family brand, which is a brand that is used in more than one product category but is not necessarily the name of the company or corporation;
10. individual brand, which is a brand that is restricted essentially to one product category, although it may be used for several product types; and
11. modifier, which describes a specific size, flavour, configuration or function of the product.

He said that each of a family brand or an individual brand can be referred to as a “sub-brand”.

1. Dr Downes used Toyota and its automotive brands as an example of such brand architecture. He said that:
2. the name TOYOTA operates as a corporate or head brand;
3. the name LANDCRUISER operates as a family brand or sub brand;
4. names such as YARIS, COROLLA, CAMRY, KLUGER and RAV4 operate as sub-brands or individual brands;
5. the name PRADO operates as an individual brand beneath the family brand LANDCRUISER; and
6. the terms GX, GXL and CRUISER operate as modifiers beneath the sub brand levels.

In the case of TOYOTA vehicles Dr Downes considered that YARIS, COROLLA and RAV4 are likely to be perceived by consumers as identifying specific products from a particular source even when used without the corporate brand name TOYOTA. By contrast the modifiers GX, GXL and CRUISER do not identify and are not capable of identifying specific product ranges. Thus a consumer may refer to his or her car as a RAV4 when speaking to other consumers and that will carry a specific set of brand associations even in the absence of the TOYOTA brand name. Dr Downe said that it is very common for a number of sub-brands to become associated in the minds of consumers with one particular company.

1. He further said that a family brand or individual brand may not be associated in the minds of consumers of the particular company or corporation but may nonetheless identify a specific product from a specific origin and be linked to a specific set of associations and brand meaning. He used the example of WHISKAS and noted that while many Australian consumers may recognise that name as identifying a particular brand of cat food, they may be unaware that the brand is owned by the multinational company Mars Incorporated, which is the same company that makes M&M’s confectionery products.
2. Dr Downes pointed out that competitors might seek to gain a market advantage by using one or more brand identity elements that consumers may perceive to be the same as, or similar to, brand identity elements of a brand they know and to which they have favourable attitudes and behavioural intentions. He said that such a competitor would, in effect, be attempting to leverage the brand equity created by the owner of the original brand.
3. Pinnacle provided Dr Downes with copies of the pages from the TRIANGL website which are reproduced above, the first of the EDMs, and pages from Triangl’s Facebook page and Instagram account.
4. In conclusion Dr Downes provided the following opinion:

44. Based on my review of these materials, in my opinion an ordinary Australian consumer is very likely to perceive DELPHINE to be a brand or sub-brand of the TRIANGL brand and hence of the TRIANGL group. I say this for the following reasons:

44.1 The word DELPHINE is presented and, in my opinion, likely to be interpreted by Australian consumers as identifying a range of swimwear rather than being descriptive of any characteristics or functions of the swimwear;

44.2 The word DELPHINE is likely to be regarded by most Australian consumers as a specific name, possibly a feminine given name, applied to one or more models of swimwear products or a range of swimwear with the effect of distinguishing it from other models or ranges of products offered under the overall TRIANGL name.

45. In my opinion, and based on the brand architecture concept that I have explained earlier in this report, Australian consumers are likely to perceive the English phrase “SUMMERTIME FLORALS” and/or the Italian phrases FIORE (“flower”), FIORE ROSA (“pink flower”) and FIORE NERO (“black flower”) as modifiers. These words and phrases describe design features of the swimwear (print or pattern and colour) and are presented as subordinate to both the parent brand TRIANGL and the sub-brand DELPHINE in the brand hierarchy of the swimwear products.

1. Dr Downes provided a second report in which he criticised Mr Saunders’ report. He said that in his opinion Mr Saunders used terminology and gave descriptions and explanations of the roles and functions of names for brands, collections and products that did not appear to be based on a clear and consistent taxonomy of brand architecture, which were unclear, confusing and internally inconsistent, and which were not supported by the examples he cited. He said that Mr Saunders did not clearly describe how a “style name” or “product name” differed from a name used as a brand identity element, which made his analysis unclear.
2. Dr Downes criticised Mr Saunders’ evidence that “the primary purpose of the name of the product is to act as a reference point that enables identification of the product from the range of products that are offered under the same brand” which “allows for consumers to identify which product they are interested in.” In Dr Downes’ opinion a name that consumers use to identify, not merely to describe, a particular product or group of products that are offered under a brand is functioning as a brand identity element. He noted that Mr Saunders said that in his experience “names are … easier for people to remember than other kinds of words” and are “convenient for customers”. In Dr Downes’ opinion Mr Saunders there referred to the function of a name as a means by which customers can easily and reliably identify specific products from a specific source, in other words, as a brand identity element.
3. Dr Downes referred to examples where women’s names function as a brand, being the Spanish-based fashion retailer Zara, the Australian women’s fashion retailer Sussan, and the French fashion brand Chloe. He said that it was hard to imagine any other fashion brand choosing to identify a product line using a woman’s name such as Zara, Sussan or Chloe without considering that consumers might be confused by such a use.
4. He disagreed with Mr Saunders’ characterisation of sub-brands in the fashion industry as being often used independently of the head brand and with his characterisation of Miu Miu, Y-3 and Topman as sub-brands. He also disagreed with Mr Saunders’ view that Purple Label did not function as a sub-brand of the head Ralph Lauren brand. He said that based on his observations it did and it was rarely if ever used independently of Ralph Lauren. In his opinion, Mr Saunders’ conclusion that Australian consumers would not consider DELPHINE to be a sub-brand of TRIANGL was not supported by an analysis of Triangl’s impugned marketing material and was contradicted by some of the cases and examples he cited.
5. In cross-examination Dr Downes was taken to the first EDM. He accepted that TRIANGL was the dominant branding statement on that EDM and that it indicated where the bikinis being advertised are from, which is reinforced by the reference to TRIANGL.COM under the SHOP NOW button. He accepted that the EDM advertised a particular bikini style in three colours or prints and that there was no difference in the style, being a simple product available in three colours. In his opinion consumers would understand that the bikini range (as he called it) is named DELPHINE and that it is on the TRIANGL website and available through TRIANGL.
6. Then Dr Downes was taken to the first screenshot from the TRIANGL website. He accepted that the TRIANGL logo which appeared at the top of the page in large font was the dominant branding statement, and said that this was reinforced by the TRIANGL GIRLS button which appeared immediately below it. He said that button indicated to consumers that that there are likely to be images of girls promoting the TRIANGL brand. Dr Downes expressed the opinion that consumers would understand that what is advertised is a range of bikinis under the name DELPHINE presented by TRIANGL. In his opinion the names Fiore, Fiore Rosa and FIORE Nero were just product descriptors while he regarded the name DELPHINE as having greater brand significance. In his view the fact that the word DELPHINE preceded each of the colour or pattern descriptors was likely to suggest to consumers that the advertisement promoted three variants of a bikini within or under the name DELPHINE. That is, it conveyed a DELPHINE identity to the range or style of bikinis marketed under the TRIANGL brand.
7. Dr Downes accepted in cross-examination that Toyota had put significant investment into the name Prado and reiterated his view that it had become a sub brand within the Toyota brand. He said that, because of the investment that had been made by Toyota and the brand equity that had been built up, that when consumers heard the names Corolla, RAV4, Prado or LandCruiser they would recognise that those vehicles came from a single trade source. He considered that vehicle descriptors or designations such as GXL, VX or KAKADU did not carry the same brand equity implications and they would not, standing alone, indicate a particular trade source.
8. I have no reason to doubt Dr Downes qualifications, his expertise or his preparedness to assist the Court with his evidence. But in some important respects his evidence was unclear, sometimes it shifted, and sometimes I reached the view that his opinion was not rooted in the reality of the women’s fashion industry. In the finish, I did not find his opinion persuasive.

### Mr Saunders’ evidence

1. Mr Saunders is a public relations and marketing consultant to companies in the fashion and cosmetic sectors, and he has had a long career in the fashion industry, which has included the following:
2. he began his career in 1979 working as a journalist for ACP Magazines, where he was promoted to the position of Fashion Writer and Stylist for the women’s fashion magazine, *Mode* magazine. In that role he wrote articles on all elements of the fashion world including on the introduction of new designers and the launch of new collections each season. As a Stylist he was involved in selecting the topics for and preparing the photographic essays for the magazine;
3. from 1984 to 1988 he worked as the Fashion Advertising Manager at the Grace Bros chain of department stores. Its main channel for advertising fashion products was catalogues delivered directly to potential customers and advertisements in magazines. and Mr Saunders, amongst other things, organised the production of the advertisements and supervised junior advertising staff;
4. from 1988 to 1990 he worked as a Fashion Director at *Follow Me Gentlemen* magazine, where he had editorial oversight of the fashion section and selected the focus and tone of each issue’s fashion reporting;
5. from 1990 to 1994 he became a Model Manager at Priscilla’s Model Management, a well-known Australian modelling agency, which provided models to many internationally well-known magazines and represented many successful fashion models. In this role he regularly travelled to the international fashion capitals of the world to scout new fashion models and broker the exchange of models between agents located in different countries;
6. from 1994 to 1998 he worked for The ARC Factory, a Sydney based PR company, where he established a fashion public relations arm of the company. During this period he had the carriage of public relations campaigns for well-known Australian international fashion brands including Bonds, Just Jeans, Esprit, Scanlan and Theodore, Calibre, Oxford, Dachet and Marcs;
7. in 1999 he founded his own public relations company, Worling Saunders PR, where he worked as a director until about 2005. In this period he began to explore his interest in the beauty industry but continued to run national public relations campaigns for well-known Australian and international fashion brands including: Zambelli, Moss & Spy, Lisa Ho, Carla Zampatti, Leona Edmiston, Jets Swimwear, Crocs and Canterbury;
8. in 2005 he founded Saunders & Co PR (which was rebranded as Tomorrowland in about 2014), where he worked until 2017. In this period he concentrated more on the beauty industry but continued to carry out campaigns for well-known international and Australian fashion brands, both high-end and low-end, including: Ezibuy, Peter Alexander, Aje, Lee Matthews, Michael Lo Sordo, Hardy Bros, Celine Eyewear, Rare Denim, Attic & Arida, Triumph, Big W, Best & Less, Coast, 2xist, Ruby Rose, Flinders Lane and Target Designer Collaborations;
9. after leaving Tomorrowland in 2017, he founded Talentland, through which he currently provides managing and mentoring services to professionals in creative industries including photographers, cosmetic artist and stylists; and
10. in about October 2017, as a side project, he founded his own fashion brand for men’s and women’s lifestyle apparel, Jed & Rex. He designs the garments to be offered and promotes the brand and its products. Jed & Rex has released one collection and is currently stocked by six retailers.
11. He described the goal of public relations in the fashion industry as being to strengthen the client’s brand. He said that, in preparing a public relations strategy, the first step he always undertook was to assess the client’s current position in the fashion industry which involved considering its current and planned range of garments and how they were styled and promoted to consumers. He would try to understand how the client’s customers perceive the brand (including what fashion tier the brand occupied, and the qualities associated with the brand) and the position of its competitors. This required that he become very familiar with the way in which the clients garments were being designed, marketed and promoted.
12. Mr Saunders said that in his experience the selection of names for individual women’s fashions products did not involve a significant degree of consideration, reflecting the fact that the specific product name was of much less importance than the brand under which the product is being sold. While brand names required significant planning and discussion, he could not recall a time at which he was consulted to help develop the name for an individual fashion product. In his experience the extent of the consideration given to naming specific products was limited to developing a consistent theme for the collection, to help differentiate that collection from previous collections under the same brand. He said that, for example, for one year a collection might be called “Beaches” and products within that collection might be named “Bondi”, “Tamarama” or “Palm” and the next year the collection might be called “Women in Literature” and the products might be named “Charlotte”, “Emily” or “Jane”.
13. He said that designers sometimes took a feature of a given design and selected a corresponding women’s name. For example, a Latin influenced gown with a frill might be given the name “the Carmen” as a nod to Carmen Miranda, and he said that Morrisey Edmiston launched a collection which included a dress inspired by Liza Minnelli named “Liza”. When he was working at Saunders & Co he said that Zambelli launched a collection which included women’s shirts named after women, including a shirt named “Roberta” named after a Zambelli office worker.
14. In relation to the use of product names or style names Mr Saunders said:

…in my experience as a designer and in promoting products in the fashion industry, **the primary purpose of the name of the product is to act as a reference point that enables identification of the product from the range of products that are offered under the same brand**. This enables the designer to keep track of the various styles for stockkeeping purposes, and allows for consumers to identify which product they are interested in…

**In the case of women’s fashion in particular, the use of women’s names as product names is extremely common, in my experience.** Names are, in my experience, easier for people to remember than other kinds of words, and women’s names specifically add a poetic, feminine quality to garments, while being convenient to consumers. **I have seen many hundreds of products named by reference to women’s names during my time in the women’s fashion industry**.

(Emphasis added.)

1. Mr Saunders accepted that sub-brands exist within the fashion industry, but said that in his experience sub-brands in the fashion industry typically refer to a range of products and styles so as to create a separate image for the sub-brand, and will often relate to a specific category of garments. He referred to the following examples of sub-brands which he said are used independently of the head-brand including:
2. Purple Label – the luxury menswear sub-brand of Ralph Lauren;
3. Miu Miu – being a ‘diffusion brand’ of Prada. He described a diffusion brand as a sub brand of a well-known brand which is intended to be more accessible, and often more “edgy”;
4. Y-3 – the sportswear brand of well-known Japanese designer Yohiji Yamamoto in collaboration with Adidas;
5. TOPMAN – the menswear equivalent to international fashion retailer Topshop; and
6. Jets by Jodie Boffa – a swimwear brand which was previously owned by Seafolly.
7. He said that such sub-brands are usually separately promoted, whether by way of a separate website or a separate section of a website, that the sub-brand will usually have a range of products that will change from season to season, and that in his experience it will usually have its own logo. In his view such sub-brands are different from a style name, and when a product is removed from sale its style name will not be reused so as to avoid confusion within the brand.
8. Mr Saunders disagreed with Dr Downes’ reasoning and his conclusion that Australian consumers would perceive DELPHINE to be a brand or sub-brand of the TRIANGL brand. Having regard to the impugned Triangl marketing material he noted that DELPHINE was never used without at least one use of the brand TRIANGL. He said:

Based on my experience in promoting fashion products to Australian consumers, I consider that Australian consumers would not consider DELPHINE to be a sub-brand of Triangl, but rather a specific style and product being offered for sale across three different colours.

1. In cross-examination Mr Saunders readily accepted that it is possible to have a sub-brand of a trader that is well-known in its own right, and that such a sub-brand becomes so well-known that it would be identified with the trader, whether or not the trader’s name or brand is used with it. He accepted that was possible with fashion brands just as it applied to other products. Senior Counsel for Pinnacle then took Mr Saunders to several pages from the TRIANGL Facebook account during the relevant period where, above a picture of a model wearing a Triangl DELPHINE bikini, the words DELPHINE or THE DELPHINE appeared. Mr Saunders accepted that the capitalisation of DELPHINE and use of THE DELPHINE was an attempt to emphasise these products as a distinct product coming uniquely from TRIANGL. He said the same about the use of DELPHINE in the EDMs. As I later explain, Pinnacle sought to give that exchange more significance than it warrants.

# Pinnacle’s submissions

1. It is common ground between the parties that Pinnacle’s claim of trade mark infringement turns solely upon the question as to whether Triangl’s admitted use of DELPHINE amounted to use *as a trade mark* for the purposes of s 120 of the Act. The registration of the DELPHINE Trade Mark, Triangl’s acts of use, the identity of the DELPHINE Trade Mark with the name used by Triangl, and the class of goods in question are not in controversy.
2. Pinnacle said and I accept that the principal question of whether the name DELPHINE was used to distinguish Triangl’s goods from those of other traders is an objective one which is to be determined from the perspective of the consumer. Pinnacle submitted (and I accept) that there is no dichotomy involved in identifying what function was performed by Triangl’s use of the name DELPHINE in relation to the Triangl DELPHINE bikinis. The function of the use is not limited to *either* distinguishing Triangl’s goods from those of other traders *or* distinguishing the goods amongst its own line of goods. In the event that it does both, such use will still constitute use as a trade mark for the purposes of s 120 of the Act. Provided that Pinnacle establishes that one of the roles of the use of the name DELPHINE was to distinguish Triangl’s goods dealt with or provided in the course of trade from the goods of other traders, the display of the word in advertising will be use as a trade mark.
3. Pinnacle contended that the impugned advertising material prominently featured DELPHINE in the following ways:
4. on the TRIANGL website – under pictures of three different swimsuit sets and in a title above three drop-down boxes which appear to be designed to facilitate online purchase; and
5. on the EDMs – as a stand alone logo.
6. It submitted that in the EDMs the name TRIANGL appeared, together with a photograph of a model wearing a bikini below which appeared, in capitals in bold print, DELPHINE, then the more descriptive phrase “Summertime Florals”, and then the Shop Now button which appeared above TRIANGL.COM in smaller font. It argued that the name DELPHINE is presented in relation to the goods in a prominent fashion in a way that makes it stand out from the other language which appears on the page. It contended that the manner in which the name is used indicated that DELPHINE swimwear is a product provided by TRIANGL and associated definitively and exclusively with that brand. It submitted that the name DELPHINE is not used in a way that suggests it is merely a style descriptor, or an aide mémoir for a customer while sorting around on a webpage. It contended that the same is true of the use of DELPHINE on the TRIANGL website and argued that DELPHINE was prominently displayed and centred as the mark associated with the different colour and pattern variants, such that it establishes itself as a brand provided by TRIANGL as part of its range of unique products.
7. Pinnacle also relied on the use of DELPHINE on TRIANGL’s Instagram and Facebook pages, as part of the context in which consumers would have read the TRIANGL website or EDMs. It noted that on one Instagram page “Triangl” appeared in lowercase whereas DELPHINE appeared in uppercase and was emphasised above the surrounding text. It argued that the same approach carried through onto TRIANGL’s Facebook pages where the word DELPHINE was capitalised and in one example it was given additional emphasis as “The DELPHINE”.
8. It argued that there was no inherent inconsistency between using the name DELPHINE as a trade mark on a website associated with TRIANGL, any more than there is any inconsistency with using Coco Pops as a brand in association with Kellogg’s. It relied on the observations of Allsop J, (as his Honour) then was, in *Anheuser-Busch Inc v Budejovicky Budvar, Narodni Podnik & Ors* [2002] FCA 390; (2002) 56 IPR 182 at [186]-[189] (***Anheuser-Busch***), and noted that just because one part of a label is the obvious and important “brand” does not mean that another part of the label cannot act to distinguish the goods. Pinnacle also relied to similar effect on the decision of Burley J in *Bohemia Crystal Pty Ltd v Host Corporation Pty Ltd* [2018] FCA 235; (2018) 354 ALR 353 (***Bohemia Crystal***) at [278] where his Honour found that the use of one obvious trade mark, Banquet, did not preclude the existence of a further trade mark.
9. On Pinnacle’s argument, Triangl adopted the name DELPHINE which is distinctive and which it emphasised in respect of the bikinis it offered for sale. It said that the way in which DELPHINE was used distinguished the bikinis as TRIANGL’s goods in the course of trade, and that it was a “big call” for the Court to accept that the name was not used to distinguish those goods from the goods of other traders. It argued that consumers would see the Triangl DELPHINE bikinis as a range of bikinis marketed by TRIANGL which it intended to tell the world are its goods, to distinguish those goods from the goods of other traders.
10. Pinnacle submitted that both Dr Downes and Mr Saunders expressed the opinion that Triangl’s use of DELPHINE was likely to be perceived by consumers as distinguishing its goods from those of other traders. It argued that Dr Downes said in his report and that Mr Saunders accepted in cross-examination that:
11. the use of “The DELPHINE” in relation to a Triangl DELPHINE bikini on TRIANGL’s Facebook page identified it as a distinct product coming uniquely from Triangl; and
12. the use of DELPHINE over the description Summertime Florals on the EDMs emphasised the name of the product coming from TRIANGL and suggested that it was a unique product to that supplier.

Pinnacle argued that such a conclusion was unsurprising when the manner in which Triangl used DELPHINE was precisely to suggest that DELPHINE swimwear was unique to it.

1. Pinnacle submitted that the Court should give little weight to the evidence of Mr Ellis. It noted that Mr Ellis initially agreed that Triangl selected style names so that they become associated with the product and could be brought to mind when somebody is trying to remember it, and argued that his evidence that he did not seek the selection of names that were distinctive should not be accepted. It contended that the list of names Triangl used show that they are distinctive, and argued that Mr Ellis’ denial that the style names Mylos, Paxi, Myrina, Tilos, Idra, Skalia and Sydos were unusual names was not credible. Pinnacle also submitted that Mr Ellis’ evidence that Triangl did not give consideration to the similarity of DELPHINE and DELILAH when it selected the replacement name, and his evidence that the two names are not similar, was not believable.
2. Pinnacle argued that the Court should find that Mr Ellis’ interest in the outcome of the case coloured his evidence and opinions as to the function of the style names adopted by Triangl. It argued that in any event his evidence focused on what he or Triangl sought to achieve rather than the manner in which the use of names would be understood by consumers.
3. Finally, Pinnacle submitted that Triangl’s reliance on the fact that other traders in the women’s fashion industry used the name DELPHINE on their garments did not detract from the conclusion that Triangl’s use of DELPHINE was likely to be understood by consumers as distinguishing its goods from those of other traders. It argued that the “abstract suggestion” put to Dr Downes in cross-examination, that the presence of other traders using the same name would mean that the name did not tell consumers much as between brands, amounted to no more than a suggestion that Triangl’s use of DELPHINE as a trade mark may not have been successful.

# Consideration

1. Section 120(1) of the Act provides:

A person infringes a registered trade mark if the person uses **as a trade mark** a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

(Emphasis added.)

It is common ground that Triangl used the name DELPHINE in a way which was substantially identical with the DELPHINE Trade Mark in relation to goods covered by that trade mark.

1. Section 7(4) of the Act relevantly provides:

**“use of a trade mark in relation to goods”** means use of the trade mark upon, or in physical or other relation to, the goods…

It is uncontentious that Triangl’s use of DELPHINE on its advertising material was use “in relation” to goods.

1. The question is whether or not Pinnacle established that Triangl’s use of DELPHINE was use *as a trade mark*. Section 17 of the Act provides:

A trade mark is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

To constitute use *as a trade mark* Triangl’s use of DELPHINE must have been used or intended to be used to *distinguish* Triangl’s swimwear, dealt with in the course of trade, from swimwear dealt with by other traders.

1. The question as to whether Triangl used DELPHINE to distinguish its goods from the goods of other traders is an objective one, and it is to be determined from the perspective of the consumer: *Shell Co (Aust) Ltd v Esso Standard Oil (Australia) Ltd* [1963] HCA 66; (1963) 109 CLR 407 (***Shell***) at 425 (Kitto J); *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* [1991] FCA 402; (1991) 30 FCR 326 (***Johnson & Johnson***) at 339-340 (Lockhart J); *Playgro Pty Ltd v Playgo Art & Craft Manufactory Ltd (No.2)* [2016] FCA 478; (2016) 118 IPR 514 at [15] (Moshinsky J).
2. The reference in s 17 to the need for a trade mark to distinguish goods from those of other traders expresses the essential characteristic of a trade mark; to indicate the origin of the goods to which it is applied. The primary function of a trade mark is to indicate a connection in the course of trade between the goods and the person who applies the mark to the goods; to distinguish the commercial origin of the goods sold under the mark: *E & J Gallo Winery v Lion Nathan (Aust) Pty Ltd* [2010] HCA 15; (2010) 241 CLR 144 (***Gallo***) at [41]-[43] (French CJ, Gummow, Crennan and Bell JJ); *PepsiCo Australia Pty Ltd v Kettle Chip Co Pty Ltd* [1996] FCA 48; (1996) 135 ALR 192 (***PepsiCo***) at 212 (Sackville J with whom Lockhart J agreed).
3. To show use as a trade mark it is not enough merely to show that the mark was applied in relation to goods “so as to refer to those goods”: *Johnson & Johnson* at 348. As Kitto J said in *Shell* (at 425), the kind of consumer response that would indicate an infringement would be to think, “[t]here I see something that the Shell people are showing me as being a mark by which I may know that any petrol in relation to which I see it used is theirs.”
4. The display of a sign or mark in relation to goods may, of course, have more than one role. As Allsop J explained in *Anheuser-Busch* at [189]:

The usage of a word may fulfil more than one purpose on a label. For example a word may have a descriptive element, but also an element of trade mark or branding or distinguishing role. Equally, a word may have a role in identifying a geographical location, but also a trade mark or branding or distinguishing role. It depends on context.

(Citations omitted.)

Provided that one of the roles is to distinguish the trader’s goods dealt with or provided in the course of trade from the goods of other traders, the display of the mark in advertising will be use as a trade mark.

1. The setting or context in which a particular mark is used may be critical. Where the prominence or positioning of the mark on advertising material, including its font size, styling, colour and shading, suggest that it has greater significance than the respondent’s trade mark, or where it is an invented word, the mark may well be found to be used as a trade mark: *Beecham Group plc v Colgate-Palmolive Pty Ltd* [2005] FCA 838; (2005) 66 IPR 254 (***Beecham***) at [47]-[49] (Emmett J); *PepsiCo* at 217; *Johnson & Johnson* at 343 (Burchett J)*.*
2. Use of a mark in conjunction with the respondent’s own distinctive mark, or some other indicia identifying the respondent as the commercial origin of the goods or services, *may* but will not necessarily negative the impugned use as a trade mark: see Davidson and Horak, *Shanahan’s Australian Law of Trade Marks and Passing Off*, 6th ed, (2016), p 658 and the authorities cited at footnote 52. Even so, as Allsop J said in *Anheuser-Busch* (at [191]):

It is not to the point, with respect, to say that because another part of the label … is the obvious and important “brand”, that another part of the label cannot act to distinguish the goods. The “branding function”, if that expression is merely used as a synonym for the contents of ss 7 and 17 of the *Trade Marks Act 1995*, can be carried out in different places on packaging with different degrees of strength and subtlety. **Of course, the existence on a label of a clear dominant “brand” is of relevance to the assessment of what would be taken to be the effect of the balance of the label.**

(Emphasis added.)

1. In my view Pinnacle did not establish that Triangl infringed the DELPHINE Trade Mark pursuant to s 120 of the Act.
2. *First*, any question as to whether Triangl *intended* its use of DELPHINE to distinguish its products dealt with or provided in the course of trade from products dealt with by another trader can be speedily dealt with. I accept Mr Ellis’ evidence that Triangl did not intend its use of DELPHINE to distinguish its products from products dealt with or provided by other traders. It intended the name as a reference point for consumers to distinguish the Triangl DELPHINE bikinis from its other styles in its extensive bikini range.
3. *Second*, it is uncontroversial that whether consumers were likely to perceive that Triangl’s use of DELPHINE operated to distinguish Triangl’s goods from the goods of other traders is an objective one, to be determined from the perspective of the consumer: *Shell* at 425.
4. The first screenshot from the TRIANGL website (shown above at [55]) prominently carries the TRIANGL Trade Mark. It dominates the page and indicates the trade source of the bikinis to consumers. That is reinforced by the TRIANGL GIRLS button which appeared immediately below the logo, and also by the domain name of the website which is <http://australia.triangl.com>. Dr Downes accepted that the TRIANGL logo is the dominant message informing consumers as to where the advertised bikinis were from, and that it was reinforced by the TRIANGL GIRLS button.
5. The second screenshot (shown above at [57]) also carries a prominent TRIANGL logo. It is in a similar font size to the words DELPHINE-FIORE ROSA, but it is located at the top and in the middle and it dominates the page, thereby indicating the trade source. On this page the image of the bikini and DELPHINE is enlarged, but that is because that bikini style has been selected for viewing by the consumer clicking that image on the previous page.
6. On both webpages the name DELPHINE is rendered in the same font size as the names given to the different colour and floral patterns. That is not suggestive of a mark rising to the significance of distinguishing the commercial origin of the goods.
7. Further, the context or setting in which Triangl used the name DELPHINE on its website is of critical importance; in *Shell* at 422 Kitto J described it as “all important”. The context in this case includes that:
8. many consumers will have arrived at the webpages promoting the Triangl DELPHINE bikinis after viewing the TRIANGL home page or having viewed it in the same session. The home page which appeared during the relevant period is not in evidence but it is appropriate to infer that it was similar in structure to the home page in 2018 and that it carried a prominent TRIANGL logo. This is significant to what consumers were likely to perceive to be the trade source of the bikinis;
9. navigation of the website was controlled by use of the drop-down menus I have described above. If a consumer clicked the “View All” button he or she would arrive at a page carrying images of approximately 35 Triangl bikini styles with different style names and different names for the colour and pattern variants within styles. Amongst those images consumers would find images of the Triangl DELPHINE bikinis. It is likely that the consumer would scroll through numerous bikini styles and their variants each with different style names; and
10. if a consumer clicked the “New Arrivals” button he or she would be taken to a webpage carrying images of the four new bikini styles Triangl had just launched with the style names PALOMA, LOTTE, BIBI and DELPHINE and their different colour and pattern variants. It is likely that the consumer would scroll through the different bikini styles and their variants.
11. When these matters are considered together it is likely that consumers would understand that Triangl offered a range of bikini styles for sale, each with a name, including a bikini style named DELPHINE, which was available in three colours and floral patterns. It is likely that they would understand that TRIANGL was the trade source of the bikinis. It is unlikely that they would perceive that DELPHINE (or the other style names such as PALOMA, LOTTE, BIBI) operated as badges of origin.
12. Indeed, Pinnacle’s central proposition has an air of unreality, as illustrated by Dr Downes’ evidence. First Dr Downes’ said that each of the names PALOMA, LOTTE, BIBI, and DELPHINE would be perceived by consumers as sub-brands of TRIANGL. Then he was taken to Triangl’s press pack which showed its use of further style names such as DREE, JEAN, CATIA, LOUIE, REMY and DEVON, and he said that they too would be perceived by consumers to be sub-brands. If Dr Downes’ proposition was to be accepted, the logical outcome is that each of the 35 bikini styles that Triangl marketed and sold were likely to be perceived by consumers to operate as sub-brands. I consider it to be quite improbable that consumers would perceive that the 35 style names Triangl gave to its different bikini styles represented 35 different sub brands of TRIANGL which operated to distinguish each bikini style from the goods of other traders. It is more likely that they would understand that Triangl was the trade source of the 35 different styles (including their colour and pattern variants) and that the style names operated to identify or delineate between the different styles of bikini which Triangl offered for sale.
13. That conclusion is supported by:
14. Mr Ellis’ evidence that style names do not matter and that they have no value to Triangl, which evidence I accept;
15. Mr Bucoy’s evidence to similar effect in relation to style names. He accepted that consumers do not remember style names and that they only remember the head brand. When asked about one of Pinnacle’s own style names he said “I don’t think it really matters”; and
16. the inference I have drawn that up to and including the relevant period consumers of women’s fashion were used to seeing style names including women’s names used in relation to women’s fashion, including swimwear.
17. Mr Ellis was not challenged on his evidence as to the steps potential Australian customers were required to take if they wished to make a purchase on the TRIANGL website, but I accept the possibility that consumers could have directly arrived at the webpages displaying the Triangl DELPHINE bikinis through either direct links from social media or through a search engine. If that occurred, the home page, “View All” page, or “New Arrivals” pages of the website would not be the consumer’s starting point. In cross-examination Mr Bucoy said, in effect, that if a consumer performed an internet search using the word “Delphine” he or she might come across the Triangl DELPHINE bikinis on the website and decide to purchase that product rather than going on to find DELPHINE products. Pinnacle contended that it could be inferred that was the case. There is however no evidence to show that if during the relevant period a consumer performed an internet search by reference to the word Delphine that the Triangl DELPHINE bikinis would come up in the search results, nor is there evidence to establish where the Triangl DELPHINE bikinis would rank in the search results if they did come up. It would have been relatively straightforward for Pinnacle to establish such matters and it did not do so. While I accept that some consumers may have arrived at the relevant webpages through direct links or a search engine, there was no evidence regarding the use of such pathways and I will not speculate as to how commonly they were used by consumers. Further, even if consumers arrived at the website through those pathways, it is reasonable to expect that many of them will have viewed the other new bikini styles Triangl promoted, and so my observations about the relevant context remain apt.
18. In relation to the use of DELPHINE in the EDMs that Triangl sent to its subscribers:
19. the first EDM is dominated by the TRIANGL logo which appears at the top of the page in prominent large bold font, and the name DELPHINE is less prominent and placed at the bottom of the page. That TRIANGL is the trade source of the bikinis is reinforced by the link to the TRIANGL website above the “Shop Now” button;
20. the second EDM is also dominated by the TRIANGL logo which appears at the top of the page in prominent large bold font. The name DELPHINE is less prominent and occurs in concert with another style name, PALOMA. For consumers to perceive that the name DELPHINE identified the trade source of that bikini style they would have to think the same in relation to the name PALOMA. The TRIANGL website link appearing just above the “SHOP NOW” button reinforces that TRIANGL is the trade source of the bikinis; and
21. the third EDM is dominated by the TRIANGL logo and it subordinates the name DELPHINE even further. While this EDM emphasises the word Delphine by describing the bikini as “THE DELPHINE”, that name appears in small font under the heading AMBER FLORALS, followed by a short description of the bikini.

I consider it unlikely that a consumer viewing the EDMs would perceive that the word DELPHINE is used as a badge of origin.

1. Again, the context or setting in which consumers viewed the EDMs is important. These direct mail communications were only sent to persons who had taken the active step of signing up to Triangl’s mailing list. That increases the improbability that they would perceive that DELPHINE was being used as a trade mark or as indicating the trade source of the swimwear.
2. While different layers of marketing can distinguish goods in multiple ways, with different degrees of strength and subtlety, I consider it is unlikely that consumers would perceive from the marketing on the TRIANGL website or in the EDMs that DELPHINE operated as a sub-brand of Triangl or as a badge of origin.
3. *Third*, I do not accept Pinnacle’s contention that DELPHINE is unusual or distinctive to the extent that it is likely to be remembered by consumers and to develop a brand identity in its own right. Mr Ellis said and I accept that style names do not matter to Triangl and that they have no value to it. Mr Bucoy also accepted that consumers do not remember style names and they only remember the head brand or the website on which the product is sold.
4. While I accept Pinnacle’s contention that style names such as Mylos, Paxi, Myrina, Tilos, Idra, Skalia and Syros, as used in Triangl’s most recent collection, would be perceived by Australian consumers as unusual that, in and of itself, does not show that they are likely to be seen as distinctive or remembered by them. While consumers are likely to find it easy to recollect that these names have a Greek flavour, perhaps bringing to mind the attractiveness of sundrenched Greek islands and Mediterranean beaches, I doubt that they would readily remember the names themselves or that they operate as sub-brands.
5. Nor does Pinnacle's contention regarding unusual style names such as Mylos, Paxi, Myrina, Tilos, Idra, Skalia and Syros provide much assistance for its case in relation to a less exotic name like Delphine. Triangl used many style names which can fairly be described as ordinary and not distinctive, for example: Poppy; Farrah; Delilah; Jean; Elle; Camille; Elisa; Cassie; Abbey; Grace; Kayla; Becca; Bianca; Cora; Mimi; Cindy; Gemma; Milly; Lily; Lulu; Brigitte; Patti; Bella; Heidi; Remy; Estella; Yasmin; Isabel; Nicola; Lana; Petra; Mia; Sophia; Chantelle; Leah; Rochelle; Faye; Nadia; Penelope; Talia; and Candice. I do not accept that Triangl tried to use style names for the purpose of seeking to develop a brand identity in the use of those names. In the context that, up to and including the relevant period, Australian consumers were used to seeing women’s names used as style names in relation to women’s fashion garments and swimwear, I do not consider that the name Delphine is so unusual or distinctive that consumers are likely to perceive that it operated as a sub-brand of Triangl.
6. *Fourth*, Pinnacle was wrong in submitting that Mr Saunders said that Triangl’s use of DELPHINE was likely to be perceived by consumers as distinguishing its goods from those of other traders. For this submission, Pinnacle relied on a passage of cross-examination in which Mr Saunders was taken to two TRIANGL Facebook pages. One showed a picture of a young woman wearing a Triangl bikini, above which appeared the words:

DELPHINE

Nadia Rosa wearing ‘Fiore Nero’

#trianglgirls @nadsirose

The other showed another picture of a young woman wearing a Triangl bikini above which appeared the words:

The DELPHINE

Shoot day with #trianglgirl @meganbethi

Megan wears ‘Fiore Gallo’

Mr Saunders accepted that the word DELPHINE page was capitalised so as “to emphasise the name of that product coming from Triangl” and “to suggest that it is a unique product to Triangl”. He accepted that the use of “The DELPHINE” emphasised that the bikini was a “singular or distinct item identifiable as the Delphine” and that it came from and was unique to Triangl.

1. I do not consider that exchange has the significance which Pinnacle sought to give it. Having regard to the totality of his evidence, it is clear that Mr Saunders meant only that consumers were likely to think that the Triangl DELPHINE bikinis were unique to Triangl. He did not say that consumers were likely to think that the name DELPHINE was unique to Triangl, such that it indicated the trade source of the bikinis. Whether consumers are likely to perceive the Triangl DELPHINE bikinis as being unique to Triangl is not the relevant enquiry. The question is whether consumers are likely to have perceived that the name DELPHINE was being used to indicate the trade origin of the goods. I note also that Pinnacle did not rely upon these Facebook pages to establish the alleged trade mark infringement. It only relied on it as part of the context in which consumers viewed the impugned TRIANGL website and EDMs.
2. *Fifth*,I do not accept Dr Downes’ opinion that consumers are likely to perceive the use of DELPHINE on Triangl’s website and in its EDMs as indicating that DELPHINE is a sub brand of the TRIANGL head brand.
3. I accept that Dr Downes is a well-qualified marketing and branding expert and I consider that he tried to assist the Court in his evidence. However, in some important respects I found his evidence to be unclear and sometimes his evidence appeared to shift. I also found that his opinion did not sit well with some other evidence which I have accepted. Unlike Mr Saunders, Dr Downes does not have any direct experience in the marketing of women’s fashion or in how consumers of women’s fashion understand such marketing, and he accepted that his opinion as to how consumers are likely to respond to the marketing of women’s fashion was based on general principles of marketing and of consumer behaviour, and his understanding of brands across a broad spectrum. In the finish, I concluded that his opinion was insufficiently rooted in the reality of the marketing of women’s fashion.
4. Mr Saunders does not have Dr Downes’ academic qualifications, but he has a great deal of experience working in and around the women’s fashion sector, and he has been directly involved in marketing women’s fashion for a range of well-known Australian and international fashion brands. He gave clear evidence based upon his lengthy experience, his evidence did not shift, and I found his opinion to be more compatible with other evidence which I have accepted. I prefer his opinion to that of Dr Downes.
5. In his first report Dr Downes said:

…in my opinion an ordinary Australian consumer is very likely to perceive DELPHINE to be a brand or sub-brand of the TRIANGL brand and hence of the TRIANGL group.

He said further that:

The word DELPHINE is likely to be regarded by most Australian consumers as a specific name, possibly a feminine given name, applied to one or more models of swimwear products or a range of swimwear *with the effect of distinguishing it from other models or ranges of products offered* *under the overall TRIANGL name*.

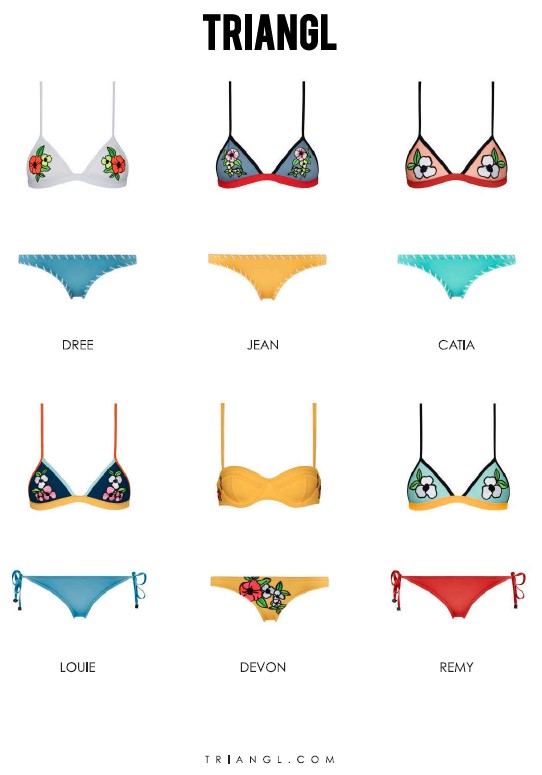
(Emphasis added.)

In oral evidence he said that the name DELPHINE acted as a brand identity element because it allowed consumers to differentiate *within* the TRIANGL brand. That tends to undermine the proposition that Triangl’s use of DELPHINE was such that consumers would perceive DELPHINE to be a sub-brand of Triangl.

1. An example of where Dr Downes’ evidence appeared to shift is when he was taken in cross-examination to some pages of Triangl’s press pack promoting the four new bikini styles launched in Triangl’s Spring/Summer 2016 campaign (part of which can be seen at [66] above). Senior Counsel for Triangl asked Dr Downes to accept that the press pack showed a range of bikinis, each with women’s names as the first reference followed by another word which was possibly evocative of an aspect of the bikini. At first Dr Downes baulked at the suggestion that all of the names PALOMA, LOTTE, BIBI and DELPHINE were women’s names, but then accepted that they were. Then he described the promotional material as showing a “brand product matrix” in which the columns or vertical axis showed the products of a sub-brand of TRIANGL named DELPHINE which included DELPHINE-ROSA, DELPHINE-NERO, and then the next column showed a sub-brand of TRIANGL named PALOMA. Then he seemed to shift away from that proposition. He said that the fact that the names of the bikini styles are in two parts (e.g. DELPHINE-ROSA, DELPHINE-NERO, and DELPHINE-GIALLO; BIBI-TERRA, BIBI-SOL and BIBI-LUNA; LOTTE-BONBON, LOTTE-CITRON and LOTTE ZUCCA; and PALOMA-NERO, PALOMA-BLU and PALOMA-ARIANCA) and that some elements of those names (e.g. PALOMA, LOTTE, BIBI and DELPHINE) were repeated and the other elements were descriptive of particular colour or pattern variants, suggested that PALOMA, LOTTE, BIBI and DELPHINE had a function to identify a particular group of products offered for sale under the name TRIANGL.
2. Another example of where Dr Downes’ evidence appeared to shift (or was unclear) can be seen in his evidence in relation to how a product name could develop into a sub-brand. He said that in the fashion industry it was “less common” for a single product to operate as a sub-brand, which occurred only with “exceptional products” like Levi 501 jeans or Hermés Birkin handbags. He said that such products develop their own brand identity because they *“*strike a chord at the right time”, they “encapsulate or capture a mood or something like that and they go on to acquire this…identity in their own right”. That evidence was compatible with his evidence about the significant investment Toyota made in cars such as the Prado, which had the effect of building brand equity in that name.
3. If one accepts Dr Downes’ evidence that for the name of a single product in the fashion industry to become a sub-brand its own right, the product must be an exceptional one and capture a mood in the market, then Pinnacle plainly failed to establish that consumers would perceive DELPHINE as a sub brand of TRIANGL. There is no evidence that the Triangl DELPHINE bikinis are an exceptional product or that they captured a mood in the market, the bikinis were only marketed under that name for six weeks, and there is no evidence that Triangl used DELPHINE so extensively that it acquired its own identity as a sub-brand.
4. Dr Downes then offered a more expansive opinion as to the level of use required before consumers would perceive a product or style name as a sub-brand. In cross-examination he was taken to Triangl’s press pack and, as I have said, he offered the opinion that because:
5. the names of the bikini styles are in two parts;
6. the PALOMA, LOTTE, BIBI and DELPHINE elements of those names are repeated; and
7. the other elements of the names were descriptive of particular colour or pattern variants;

the names PALOMA, LOTTE, BIBI and DELPHINE each had a function to identify a particular group of products marketed under the TRIANGL brand, and that consumers were likely to perceive each of those names as sub-brands.

1. Dr Downes was then taken to the next page of the press pack, an image of which is reproduced below.



He then said that the names DREE, JEAN, CATIA, LOUIE, REMY and DEVON also operated as sub-brands within the TRIANGL brand and would be perceived in that way by consumers. In the finish Dr Downes offered the opinion that if a trader gives a name to a product, intending it to identify a product *within the brand*, then the name can and does perform the function of a sub-brand.

1. Dr Downes’ final position sat poorly with his earlier evidence that it was “less common” for a single product in the fashion industry to acquire sufficient brand identity in its own right so as to operate as a sub-brand, and that this only occurred with “exceptional products” which strike a chord or encapsulate a mood in the market. At the least, his evidence is unclear.
2. Further, his opinion that PALOMA, LOTTE, BIBI and DELPHINE, along with DREE, JEAN, CATIA, LOUIE, REMY and DEVON, were likely to be perceived by consumers to be sub-brands of TRIANGL does not marry well with other evidence that I have accepted, particularly:
3. Mr Ellis’ evidence that style names do not matter and that they have no value to Triangl;
4. Mr Bucoy’s evidence that consumers do not remember style names and that they only remember the head brand, and his statement when asked about one of Pinnacle’s own style names that “I don’t think it really matters”; and
5. the evidence of Mr Ellis, Mr Bucoy and Mr Saunders which shows that prior to and in the relevant period it was common practice for traders in the women’s fashion industry, including women’s swimwear, to give style names to their products so as to allow easier identification in relation to the product *within that brand*.

Dr Downes’ opinion does not sit well with the inference that I have drawn that up to and during the relevant period consumers of women’s fashion and swimwear in Australia were accustomed to seeing style names including women’s names used in relation to women’s fashion, including swimwear. Nor does it sit well with Mr Bucoy’s acceptance that a number of other women’s fashion brands used the name Delphine as a style name, including during 2016. In that regard I note Dr Downes’ acceptance that, if the name DELPHINE was used by many other fashion industry traders to refer to garments within their ranges, a consumer might not be able to identify products from a particular source by reference to that name, and that if numerous traders are using the same designation then it is not being used as a sub-brand.

1. If one was to accept Dr Downes’ final position – that where a trader gives a name to a product intending for it to identify a product *within the brand*, then the name can and does perform the function of a sub-brand – then all style names constitute sub-brands. That is at odds with the reality of marketing in the women’s fashion industry and of the inference I have drawn that consumers are used to seeing women’s names used as style names. I note again that Pinnacle itself used style names for its products and that many of the style names which Pinnacle used in relation to DELPHINE Products had been previously registered as Australian trade marks by other traders in respect of goods in the same class.
2. What all this shows up is that Dr Downes’ understanding as to when use of a product or style name constitutes use as sub-brand differs from the requirements of the Act regarding what use of a name may constitute use *as a trade mark*. Dr Downes’ opinion shifted at times but in the finish he said that a name operates as a sub-brand if a trader gives a name to a product so as to identify and differentiate between products *within* the trader’s brand, whereas s 17 of the Act provides that a name is used as a trade mark when it is used to distinguish the trader’s goods from the goods of other traders. The two are not the same.
3. *Sixth*, I accept Mr Saunders’ evidence that consumers were unlikely to perceive DELPHINE to be a sub-brand of Triangl, and instead were likely to perceive it as a specific TRIANGL style being offered for sale in three different colours or patterns. He is experienced in the women’s fashion industry, he gave clear evidence which did not shift, and his opinion marries better with what consumers are likely to have understood from the prominent TRIANGL branding on the TRIANGL website and EDMs, and the context in which they saw that marketing. His opinion also better aligns with the evidence of Mr Ellis and Mr Bucoy regarding the use of style names in women’s fashion and the inference that I have drawn that consumers of women’s fashion in Australia, including swimwear, are used to seeing style names, and in particular women’s names, being used to identify and differentiate between a trader’s product lines. The fact that both Mr Ellis and Mr Bucoy, antagonists in the proceeding, agreed that style names do not have significance in the marketing of women’s fashion carries weight.
4. Pinnacle failed to establish on the balance of probabilities that Triangl used, or intended to use DELPHINE to distinguish its goods dealt with or provided in the course of trade from goods or services so dealt with or provided by another trader. It did not establish that Triangl’s admitted use of DELPHINE was use *as a trade mark* and it therefore did not make out its case of trade mark infringement.

# Damages

1. Given my decision on liability it is strictly unnecessary to decide the question of damages. But in case I am held to be wrong in reaching that view, and having regard to the fact that the issue was fully argued, I will also set out my views in relation to damages.
2. On the assumption that Pinnacle succeeded in establishing an infringement of its trade mark, I consider that it showed, at best, an entitlement to only very modest damages.

## Damages for lost sales

1. It became clear during the course of the hearing that Pinnacle did not offer any DELPHINE swimwear for sale in the relevant period (as noted above at [28]). During that period it only sold two styles of one-piece leotard, neither of which was marketed as swimwear or likely to be purchased for swimming. Mr Bucoy accepted that the Weekend Warrior and Cross Over leotards were not substitutable for TRIANGL bikinis. In opening the case, Senior Counsel for Pinnacle said that it was seeking only $2,500 in damages for lost sales and in a confidential annexure to his affidavit Mr Bucoy set out the basis upon which Pinnacle contended lost sales should be calculated. In cross-examination Mr Bucoy was unable to articulate a coherent basis for even that modest claim. Ultimately, Pinnacle abandoned the claim for damages for lost sales.

## Damages for diminution of reputation

1. Damages may be awarded under s 126(1) of the Act for loss of reputation in a trade mark. Pinnacle sought damages for diminution of DELPHINE’s reputation for originality, not any reputation it had for any specific one or more of its trade marked goods: see *Review Australia Pty Ltd v Innovative Lifestyle Investments Pty Ltd* [2008] FCA 74; (2008) 166 FCR 358 at [30]-[31].
2. As Gordon J explained in *GM Holden Ltd v Paine* [2011] FCA 569; (2011) 281 ALR 406 at [90]:

Where reputational damages are sought, evidence is usually led to establish: (a) the importance of singularity, distinctiveness, quality or some other commercially valuable aspect of reputation to the victim; and (b) how, and to what extent, the infringing product or conduct damaged that aspect of the victim’s reputation.

(Footnotes omitted.)

1. In support of its claim for reputational damages Pinnacle submitted that at the time of the infringing conduct:
2. it had operated a business in Australia under the DELPHINE Trade Mark since in or around August 2015 providing women’s fashion, including some swimwear;
3. from around August 2015 it put considerable effort into the launch of the DELPHINE brand, including through online promotion and commercial discussions; and
4. it had registered the DELPHINE Trade Mark in Australia, New Zealand, the United States and the United Kingdom.

I accept those submissions.

1. Pinnacle contended that the modesty of its sales of DELPHINE swimwear during the relevant period was not critical to this head of damage as the claim focused on Pinnacle’s reputation for providing various uniquely branded women’s fashion goods. I broadly accept that submission too.
2. Pinnacle submitted that an award of $10,000 was appropriate for this head of damage. I disagree.
3. In *Facton Ltd v Rifai Fashions Pty Ltd* [2012] FCAFC 9; (2012) 199 FCR 569 (***Facton***) (Lander, Gilmour and Gordon JJ) the Full Court dealt with an appeal from a refusal to order reputational damages. The facts in that case were that the Facton parties owned various Australian “G-Star” trade marks, and the respondents imported and sold counterfeit “G-Star” branded apparel at a market stall they operated. The evidence showed that the respondents had sold approximately 140 counterfeit items but the primary judge said that the number of items the respondents actually sold was likely to be significantly greater than that. Amongst other things, the evidence showed that the respondents had imported a further 2,857 items of G-Star branded apparel which had been seized by Australian customs.
4. The primary judge found that G-Star Australia had a very substantial turnover which was to a significant degree generated by and reliant on the reputation of the G-Star brand; that G-Star had established a substantial, exclusive and valuable reputation in Australia in relation to their trade marks, brand and goods; that G-Star’s brand would be diminished by the sale of the counterfeit items; and that customers would be lost because G-Star goods would no longer be considered exclusive: see *Facton* at [118]-[119]. Notwithstanding this, in the absence of evidence as to the value of the Facton parties’ goodwill and reputation the primary judge was not prepared to speculate and declined to order damages for diminution of reputation: *Facton* at [26].
5. In separate judgments the Full Court disagreed with the primary judge’s approach. Lander and Gordon JJ said (at [27]) that they could not think of any further evidence that the Facton parties could have produced in relation to the damage to their reputation. Their Honours said the following (at [28]):

It is not easy in any given case to establish a reputation and to identify in monetary terms the value of the loss of that reputation. However, in our opinion the appellants established the former, and the Court was obliged to consider the latter: *Enzed Holdings Ltd v Wynthea Pty Ltd* (1984) 4 FCR 450. In *The Commonwealth of Australia v Amann Aviation Pty Ltd* (1991) 174 CLR 64 at 83, Mason CJ and Dawson J said:

The settled rule, both here and in England, is that mere difficulty in estimating damages does not relieve a court from the responsibility of estimating them as best it can. Indeed, in *Jones v. Schiffmann* Menzies J. went so far as to say that the “assessment of damages … does sometimes, of necessity involve what is guess work rather than estimation”. Where precise evidence is not available the court must do the best it can. And uncertainty as to the profits to be derived from a business by reason of contingencies is not a reason for a court refusing to assess damages.

(Footnotes omitted.)

1. Gilmour J said (at [122]-[123]):

[122] Damages for loss of reputation were awarded without the requirement of any such “evidentiary starting point” by:

(a) Jessup J in *Review Australia Pty Ltd v Innovative Lifestyle Investments Pty Ltd* (2008) 166 FCR 358 at [30] where his Honour proceeded on the basis of evidence from the applicant’s director that the applicant “put considerable value by the perceived originality of its garments. It was an important aspect of the applicant’s image in the market”;

(b) Kenny J in *Review Australia v New Cover*, where her Honour proceeded on the basis that the applicant ‘put substantial value on its image as “very feminine, girly, sort of romantic” – an image achieved through its designs’ and that ‘it was plain enough that “exclusivity” (and design “freshness”) was of commercial value since . . . Review did not sell through other branded stores because it was not seen as “part of its business strategy”’;

(c) Gordon J in *Elwood v Cotton On*, where her Honour noted that the applicant had adduced no evidence of the damage it allegedly suffered to its reputation by reason of the infringement of its copyright, but proceeded to speculate as to what was the commercially valuable aspect of the applicant’s reputation and how, and to what extent was it damaged by the conduct of the respondent;

(d) Gordon J in *GM Holden Ltd v Paine*, where her Honour proceeded on the basis of the applicant’s evidence as to the reputation established in the Holden brand as a result of longstanding investment in creating exclusive designs, by which “the applicants have developed a substantial reputation in Australia for its innovative and exclusive wheel designs”.

[123] … I accept the appellants’ submissions that on this issue, the trial judge had received as much if not more evidence from the appellants as was adduced by the applicants in any of *Review v Innovative*, *Review v New Cover*, *Elwood v Cotton On* or *GM Holden v Paine* …

Gilmour J held (at [127]) that the primary judge erred by requiring, as a precondition to damages for loss of reputation, that the appellants must provide further, unspecified, evidence as to the value of their reputation and goodwill.

1. Even so, the Full Court awarded only $5,000 damages for loss of value in reputation. Their Honours took that view notwithstanding that it was taken to be established that the Facton parties had a substantial, exclusive and valuable reputation in Australia in relation to their trade marks, brand and goods; that G-Star’s brand would be diminished by the sale of the counterfeit items; and that customers would be lost because G-Star goods would no longer be considered exclusive.
2. The findings regarding the Facton parties’ reputation and its value stands in contrast to the present case. Pinnacle did not put on evidence as to its marketing expenditure up to the relevant period. The label only came into existence in August 2015 and the alleged infringing conduct occurred less than one year later, at a point when the brand was in an early stage of development. In the relevant period DELPHNE was a small label which was just starting up and it had not achieved a substantial reputation for uniquely branded women’s fashion products.
3. To some degree, the likely extent of Pinnacle's reputation can be inferred from its modest sales. It did not put on evidence of its sales figures for the year up to June 2016; it only provided total sales figures as at October 2017 by which date (after more than two years of operation) total sales were $391,512. For the six months from 1 December 2015 to 1 June 2016 Pinnacle’s sales of the (misleadingly described) Delphine Swimwear Products totalled only $366. The evidence tends to show that during the period between August 2015 and 2 June 2016 Pinnacle offered a limited range of Delphine Products through a small number of stockists, and I infer that its sales were modest up to June 2016. To the extent that, by the relevant period, Pinnacle *may* have developed a reputation for uniquely branded women’s fashion products, it was not notable or strong. It is more apt to describe any such reputation as budding or nascent.
4. It is also difficult to see how Pinnacle suffered any loss of reputation for originality in the DELPHINE brand. This is not a case involving a counterfeit or “knockoff” product of inferior quality which caused loss of reputation to an established brand. During the relevant period DELPHINE was far from an established brand and the evidence indicates that Triangl’s products are not “knockoffs” or of inferior quality. On the evidence its bikinis are likely to be seen by consumers as good quality and desirable.
5. In circumstances where, during the relevant period: (i) the reputation of the DELPHINE brand was nascent and unlikely to have any substantial value; (ii) Pinnacle put on little to show the importance of singularity, distinctiveness, or originality to the reputation of the DELPHINE brand; and (iii) Pinnacle did not advance any evidence to show how or to what extent the reputation of that brand was damaged by the infringing conduct; I assess Pinnacle’s claim for damages for diminution of reputation as *de minimis*. Nonetheless, if infringement was made out it would be appropriate to award a nominal sum for loss of reputation. I would allow $2,500 for such damages.

## Additional damages

1. Pinnacle also sought an amount of $25,000 for additional damages under s 126(2) of the Act. Section 126(2) provides:

A court may include an additional amount in an assessment of damages for an infringement of a registered trade mark, if the court considers it appropriate to do so having regard to:

(a) the flagrancy of the infringement; and

(b) the need to deter similar infringements of registered trade marks; and

(c) the conduct of the party that infringed the registered trade mark that occurred:

(i) after the act constituting the infringement; or

(ii) after that party was informed that it had allegedly infringed the registered trade mark; and

(d) any benefit shown to have accrued to that party because of the infringement; and

(e) all other relevant matters.

1. The provision was inserted into the Act by the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth), and it is in similar terms to s 115(4) of the *Copyright Act 1968* (Cth), s 122(1A) of the *Patents Act 1990* (Cth) and s 75(3) of the *Designs Act 2003* (Cth). Its apparent purpose was to bring the Act into line with other intellectual property laws, as the second reading speech of the amending act expressly stated. The Explanatory Memorandum said that the provision is intended to provide a means by which courts could provide an effective deterrent to intentional counterfeiting, as follows:

Additionally, stakeholders have submitted that many counterfeiters do not maintain sufficient business records to enable a satisfactory calculation of ordinary damages or an account of profits: purely nominal damages may be regarded by counterfeiters as merely the ‘cost of doing business’, rather than an effective deterrent. **The** **absence of additional damages under the Trade Marks Act limits the ability of a court to provide an effective deterrent to intentional counterfeiting**.

(Emphasis added. Footnotes omitted.)

1. I respectfully adopt the useful summary of the relevant principles in relation to additional damages set out by Wigney J in *Truong Giang Corporation v Tung Mau Quach and Ors* [2015] FCA 1097; (2015) 114 IPR 498 (***Truong Giang***) at [132]-[140]. His Honour said:

Whilst there is little authority concerning s 126(2) of the TM Act, given its similarity to s 115(4) of the Copyright Act, it is relevant to consider the following principles that have been applied to that section.

First, it is not necessary that any amount of additional damages be proportionate to any award of compensatory damages: *Futuretronics.com.au Pty Ltd v Graphix Labels Pty Ltd (No 2)* (2008) 76 IPR 763 (*Futuretronics*) at [17].

Second, an award of additional damages involves an element of penalty: *Facton Ltd v Rifai Fashions Pty Ltd* (2012) 199 FCR 569 (Facton) at [33], [89].

Third, part of the function of an award of additional damages is to mark the Court’s disapproval or opprobrium of the infringing conduct: *Facton* at [36].

Fourth, the matters set out in s 126(2)(a)-(d) of the TM Act are not preconditions to an award of additional damages: *Futuretronics* at [17].

Fifth, conduct which may properly be seen as flagrant includes conduct which involves a deliberate and calculated infringement, a calculated disregard of the applicant’s rights, or a cynical pursuit of benefit: *Futuretronics* at [19]; *Facton* at [92].

Sixth, post-infringement conduct within s 126(2)(c) of the TM Act is unlikely to include the respondent’s conduct of the infringement proceedings. Such conduct is more relevant to the appropriate order as to costs: *Futuretronics* at [17]; *Flags 2000 Pty Ltd v Smith* (2003) 59 IPR 191 at [31]-[34]. That said, it is difficult to see why some aspects of the conduct, by a respondent, in defence of infringement proceedings, might not be relevant to the award of additional damages: cf. *Facton* at [44], [69]. Conduct of the proceedings which involved high-handedness, dishonesty, recalcitrance, or flagrant disregard of, or deficiencies in compliance with, discovery orders or notices to produce, might, at the very least, suggest a greater need for an award of additional damages that would deter future infringing conduct by the respondent.

Seventh, an award of additional damages can encompass damages which, at common law, would be aggravated or exemplary damages: *Futuretronics* at [17]. The matters specified in s 126(2) of the TM Act are of a kind which are taken into account in determining whether a party is entitled to aggravated or exemplary damages at common law, but in the end result the damages to be awarded are not aggravated or exemplary damages, but additional damages, being of a type sui generis: *Facton* at [33]-[36], [91].

In *Halal Certification Authority Pty Ltd v Scadilone Pty Ltd* (2014) 107 IPR 23 at [111], Perram J considered that if additional damages are appropriate, the damages to be awarded must operate as a sufficient deterrent to ensure that the conduct will not occur again.

1. Pinnacle submitted that the Explanatory Memorandum shows that one of the purposes of s 126(2) is to provide an effective deterrent in circumstances where purely nominal damages may be regarded by an infringer as a cost of doing business. Pinnacle focused on Mr Ellis’ and Triangl’s conduct after receipt of Pinnacle's letter of demand and it argued that such conduct included:
2. Triangl selling 214 items in Australia after receipt of the letter of demand, which is more than half of the total Australian sales it made; and
3. Mr Ellis displaying a disregard for Pinnacle’s rights under the DELPHINE mark during his telephone discussion with Ms Lambrianidis on 26 May 2016, in which he foreshadowed that Pinnacle would encounter difficulties in serving proceedings on Triangl.

It contended that Mr Ellis’ remarks in which he foreshadowed difficulties for Pinnacle in serving any proceeding and the subsequent difficulties that ensued are not matters of a procedural nature for which the appropriate remedy is costs. It argued that they are part and parcel of Mr Ellis’ disregard for Pinnacle’s registered rights and they are aspects of the conduct which is relevant to its claim for additional damages.

1. It submitted that upon receipt of Pinnacle’s letter of demand on about 16 May 2016 the appropriate course for Mr Ellis to take was for Triangl to immediately cease use of the DELPHINE mark, and then seek legal advice. It argued that, instead, Mr Ellis deferred the decision while protesting to Pinnacle’s solicitors, refused to provide what Pinnacle described as “fairly standard undertakings” and proceeded to sell another 214 bikinis in Australia under the DELPHINE brand before finally ceasing to use the name DELPHINE on 2 June 2016. When Triangl ceased using the DELPHINE mark on 2 June 2016 it replaced it with the name DELILAH which Pinnacle said demonstrated a continuing disregard for Pinnacle’s rights because DELILAH is a similar name. It described the similarities as being that DELILAH is another female name with the first three letters “DEL”, describing those letters as a prefix, and it argued that Mr Ellis’ evidence as to the reasons for Triangl moving to that name were elusive.
2. Pinnacle also argued that it was clear from Mr Ellis’ evidence that he accepted no responsibility for his conduct and believed that he and Triangl had done nothing wrong. It said that having regard to the size and scope of Triangl’s business it is unlikely that it would be deterred from further infringing conduct in the future if it is not ordered to pay additional damages. On this factor alone it argued that the award must well exceed the net profit Triangl made from sales of DELPHINE goods in Australia, and noted that in *Facton* the Full Court awarded additional damages of $25,000 in a case which involve the sale of 140 items of apparel and an estimated profit of only $11,000.

### Analysis

1. In seeking additional damages Pinnacle focused on the conduct of Triangl after it received Pinnacle's letter of demand. I do not accept the thrust of Pinnacle’s contentions and, if trade mark infringement was established I would not award any additional damages.
2. *First*, Pinnacle did not contend that Triangl’s conduct in marketing and selling the Triangl DELPHINE bikinis prior to its receipt of the letter of demand was flagrant, deliberate or calculated, nor as a cynical pursuit of benefit. Nor is this a case of counterfeiting which requires additional damages as a deterrent. I accept Mr Ellis’ evidence as to how Triangl chose the name DELPHINE; his evidence that at the time that Triangl used the name he was unaware of the existence of Pinnacle and of the DELPHINE mark; and that he intended to use the name DELPHINE as a style name rather than as a badge of origin. As Pinnacle’s own use of style names demonstrates, Triangl was merely following industry practice in ascribing a style name to one of its bikini styles.
3. *Second*, flagrancy is not essential before an award of additional damages can be made, but I can see little or nothing in Triangl’s conduct in marketing and selling the Triangl DELPHINE bikinis *after* its receipt of the letter of demand to indicate that additional damages should be awarded. That conduct was not in my view flagrant, deliberate or calculated, nor did it display a cynical pursuit of benefit. Triangl’s conduct does not require additional damages to mark the Court’s disapproval or opprobrium of the infringing conduct, to punish Triangl, to deter Triangl from again engaging in similar conduct, or to strip Triangl of profits unfairly made.
4. In my view the time Triangl took to cease marketing and selling the Triangl DELPHINE bikinis after it received Pinnacle’s letter of demand was not gross. Pinnacle sent a letter of demand on 16 May 2016 which gave Triangl a deadline of 4:00 pm on 23 May to cease using the mark and to provide the undertakings it sought. Triangl ceased using the mark on 2 June 2016, that is, 10 days after the deadline, and within two and a half weeks of the letter of demand. That period of delay was not unreasonable when Triangl used the name DELPHINE in marketing around the world, the infringement was not clear-cut, and Mr Ellis took the position (justifiably as I have found) that Triangl’s use of the name DELPHINE was not use as a trade mark. He was entitled to take some time to consider Triangl’s position and to seek to persuade Pinnacle away from bringing proceedings. In the circumstances the level of delay does not justify an award of additional damages.
5. Pinnacle sought to rely on the fact that Triangl sold 214 Triangl DELPHINE bikinis in Australia in the 21 days after its receipt of Pinnacle’s letter of demand on 16 May 2016, which is slightly more than the 189 Triangl DELPHINE bikinis it sold in the 22 days between 24 April 2016 and its receipt of that letter. However the evidence does not indicate that Triangl did anything to cause that slight uptick in the volume of sales and does not indicate a need for additional damages to mark the Court’s disapproval or opprobrium, or to punish or deter.
6. *Third*, I am not persuaded that Mr Ellis’ remarks to Ms Lambrianidis on 26 May point towards making an award of additional damages. Mr Ellis took an essentially commercial approach and tried to persuade Pinnacle away from bringing proceedings, including because of the difficulties likely to be associated with service of any proceedings that were filed and because the amount at stake was not worth the legal costs. He could have chosen to make it easier for Pinnacle to serve its proceeding but I do not consider that he was obliged to do so. He was correct in understanding that the amount at stake was not worth the costs.
7. *Fourth*, on my view of the evidence the profits Triangl made from sales of the relevant bikinis should not be seen as attributable to its use of DELPHINE. In fact, it appears that sales of Triangl’s bikinis increased once the name was changed to DELILAH. I can see no basis for awarding additional damages in order to remove any benefit that accrued to Triangl.
8. *Fifth*, I do not consider that Triangl’s conduct in relation to service of the proceeding and in not assisting to identify the correct respondent indicates that an award of additional damages is appropriate. I accept that Mr Ellis could have made it easier for Pinnacle to serve the proceeding and he could have informed Pinnacle that it initially brought the proceeding against the wrong Triangl entity, but I do not consider that he was obliged to. I note also that the correct entity was set out on the EDMs which Pinnacle had and relied upon to establish the infringing conduct.
9. While I consider it is open to treat a respondent’s conduct in the course of infringement proceedings as a relevant consideration in relation to additional damages, the present case is not like *Facton* where the respondents refused to acknowledge wrongdoing and denied the infringement until the last minute (*Facton* at [44]). Nor was Mr Ellis’ conduct like filing a defence which was later proved to be false, as part of a continuing pattern of conduct which recognised the illegality of the enterprise in which the respondents were engaged: *Microsoft Corp v Goodview Electronics Pty Ltd* [2000] FCA 1852; (2000) 49 IPR 578 at [61]-[64] (Branson J). To use the words of Wigney J in *Truong Giang* at [138], Triangl’s conduct after the commencement of proceedings did not involve “high-handedness, dishonesty, recalcitrance, or flagrant disregard of, or deficiencies in compliance with, discovery orders or notices to produce”. Mr Ellis’ and Triangl’s conduct was not of a type which indicates an award of additional damages is appropriate. To the extent that their conduct might be said to warrant some sanction it is more likely to be relevant to the issue of costs, and that is a question for another day: see *Futuretronics.com.au Pty Ltd v Graphix Labels Pty Ltd (No 2)* [2008] FCA 746; (2008) 76 IPR 763 at [17] (Besanko J); *Flags 2000 Pty Ltd v Smith* [2003] FCA 1067; (2003) 59 IPR 191 at [40] (Goldberg J).

# Triangl’s Cross-Claim

1. In the cross-claim Triangl alleged that Pinnacle was not the first trader in Australia to use DELPHINE as a trade mark in relation to the goods for which that mark is registered, being clothing, headwear and swimwear. The priority date of the DELPHINE Trade Mark is 6 July 2015 and Triangl alleged that prior to that date two other traders in Australia used trade marks which shared a ‘substantial identity’ with the DELPHINE mark in relation to goods of the same kind. It contended that Pinnacle was therefore not the owner of the DELPHINE mark and that its registration of the mark should be cancelled under s 88 of the Act.
2. Triangl sought cancellation of the registration of the DELPHINE mark not because of any claim it had to any right or entitlement in relation to that name or brand but as a collateral means of defending Pinnacle’s claim of trade mark infringement. It took the position that if the Court found that Triangl’s use of the name DELPHINE did not constitute use as a trade mark, it did not seek that the cross-claim be determined.
3. Having regard to the dismissal of Pinnacle’s claim it is therefore strictly unnecessary to decide the cross-claim. But if I am held to be wrong in dismissing Pinnacle’s claim, and having regard to the fact that the cross-claim was fully argued, it is appropriate to set out my views in relation to it.

## Relevant legislation and principles

1. Relevantly, s 88 of the Act empowers the Court to cancel the registration of a trade mark on the application of an aggrieved person, on “any of the grounds on which the registration of the trade mark could have been opposed” under the Act.
2. Section 58 of the Act provides:

The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

Under s 6 “the applicant” in relation to an application for a trade mark means “the person in whose name the application is for the time being proceeding”. Thus, registration of a trade mark may be cancelled if the applicant for registration was not the owner of the mark at the time of that application.

1. In *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2017] FCAFC 56; (2017) 345 ALR 205 (***Accor***) at [165] Greenwood, Besanko and Katzmann JJ explained that, conformably with ss 27 and 58 of the Act, the basis of a claim to ownership of a trade mark is the combined effect of authorship (meaning origination of the trade mark or first adoption of it) coupled with (at the date of application for registration) either actual use or an intention to use the trade mark in relation to specified goods or services. The Act provides for “registration of ownership not ownership by registration”: *PB Foods v Malanda Dairyfoods Ltd* [1999] FCA 1602; (1999) 47 IPR 47 at [78]-[80] (Carr J) cited with approval in *Accor* at [170].
2. A claim to ownership of a trade mark will be defeated by prior use in Australia of the mark, as a trade mark, in relation to the goods or services for which that mark is registered: *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* [2017] FCAFC 83; (2017) 251 FCR 379 (***Pham Global***) at [50] (Greenwood, Jagot and Beach JJ).
3. To show use of a trade mark it is not necessary that there be an “actual dealing” in goods or services bearing the mark. It is sufficient if goods or services have been offered for sale under the mark or that the mark has been used in an advertisement of goods or services, as use in an advertisement is sufficient to constitute use in the course of trade. Where *actual use* of the mark(as distinct from an intention to offer or supply goods or services bearing the mark) is relied upon as establishing first use, “a very small amount of use will suffice”: *Accor* at [167]-[169].
4. The mark said to have been used prior need not be identical to the registered trade mark, and ‘substantial identity’ between the two marks will suffice. That is, there may be additions or alterations, as long as they do not substantially affect the identity of the mark: s 7 of the Act. In *Shell* at 414 Windeyer J expressed the well-accepted test for deciding whether a mark is substantially identical to a registered trade mark as follows:

In considering whether marks are substantially identical they should, I think, be compared side-by-side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of resemblance or dissimilarity that emerges from the comparison. “The identification of an essential feature depends” it has been said, “partly on the Court’s own judgment and partly on the burden of the evidence that his place before it”. Whether there is substantial identity is a question of fact.

(Footnotes omitted.)

If a total impression of similarity emerges from a comparison between the two marks, the marks are “substantially identical”: *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* [1994] FCA 68; (1994) 120 ALR 495 (***Carnival Cruise Lines***) at 513 (Gummow J).

## The evidence

1. Triangl relied on the following material in relation to the alleged prior use:
2. two affidavits of Mr Ben Mawby, a solicitor employed by Corrs, affirmed 24 April 2018 and 20 October 2018;
3. an affidavit of Mr Christopher Butler, the office manager of the Internet Archive, affirmed 11 June 2018 ; and
4. an affidavit of Mr James Beavis, a solicitor employed by Corrs, affirmed 8 October 2018.

Mr Mawby was cross-examined. Mr Butler’s evidence was relied upon in a *voir dire* as to the admissibility of screenshots obtained by Mr Mawby using the Wayback Machine.

1. Triangl also relied on documents produced by Delfina Sport Pty Ltd (**Delfina Sport**) in response to a subpoena.

## The onus

1. Triangl bore the onus of proving on the balance of probabilities that Pinnacle was not the owner of the DELPHINE mark: *Lomas v Winton Shire Council* [2002] FCAFC 413; (2003) AIPC 91-839 at [36] (Cooper, Kiefel and Emmett JJ). Triangl was thus required to establish that the marks that it alleged were used by traders other than Pinnacle prior to 6 July 2015 are identical or substantially identical to the DELPHINE Trade Mark and were used in relation to the goods or services for which that mark is registered.

## The DELFINA mark

1. In the first limb of the cross-claim Triangl alleged that from 2013 Delfina Sport promoted, distributed, supplied, offered for sale and sold swimwear in Australia under and by reference to a DELFINA mark, which is substantially identical to the DELPHINE Trade Mark.
2. To establish this limb Triangl relied on four documents, but it did not adduce evidence from any officer or employee of Delfina Sport whom it said had created the documents, or from any consumer or trader who had dealt with Delfina Sport in the course of trade. For the reasons I explain, I am not satisfied that prior to 6 July 2015 Delfina Sport marketed or sold swimwear in Australia under and by reference to DELFINA as a trade mark.
3. The first document produced by Delfina Sport upon which Triangl sought to rely is, on its face, a post which appears to have been made on 15 January 2015 on Delfina Sport’s Facebook page (MFI-3, p.9) (**Document 1**). The post carries a Delfina Sport logo and it shows a composite image of three swimmers, each wearing a swimsuit and swimming cap, accompanied by the words; “We will be having a sale on all swimming costumes …”. There appears to be branding on two of the three swimsuits but it is difficult to make out the brand from the image.
4. Triangl relied on this document to establish that, prior to 6 July 2015, Delfina Sport promoted and offered swimwear for sale in Australia under and by reference to DELFINA as a trade mark. Triangl seeks to adduce it as evidence of the truth of its contents and the document is therefore inadmissible hearsay unless it falls within one of the exceptions to the hearsay rule. Triangl argued that the document falls within the business records exception in s 59 of the Evidence Act, but I am not persuaded that it does.
5. The fact that the document was produced by Delfina Sport in response to a subpoena does not establish that it is a business record of that company, and Triangl did not adduce any evidence in that regard. In this regard I note the reasoning of Middleton J in *Hansen Beverage*at [131]-[133], where his Honour said:

In my view, s 69(1) was drafted deliberately broadly, with the rationale being to allow as an exception to the hearsay rule the tender of documents which, by virtue of the fact they are kept as records of the business, should be assumed to be accurate.  However, a document created to be sold as part of a business should not be considered to be a record kept *in the course of or for the purposes of* the business, just because there is reason to believe that the document is to be regarded as reliable and accurate.  One has to determine whether the document is in truth a record of the type described in s 69(1).

In my view the documents sought to be tendered as the three exhibits are not to be regarded as documents which are or form part of the ‘records’ of OzTAM.  Merely describing the documents as the ordinary stock in trade of a business, or the produce of the core business activities of a business, does not necessarily mean that such documents form part of the records of a company in the course of, or for the purposes of its business within the meaning of s 69(1).

The records referred to in s 69(1) of the Evidence Act are the documents a business generates in the course of, or for the purpose of the business, not documents which it may have or keep as the product of that business.  The concept of a business record is an internal record, kept in an organised form accessible in the usual course of business, actually recording the business activities themselves and does not include the product of the business itself.

(Citations omitted.)

1. I am not satisfied that this apparent copy of a page from Delfina Sport’s Facebook account is an internal record of that business which records its business activities, rather than being a product of the business itself.
2. But even if I am wrong in that conclusion and Document 1 is admissible evidence, it has little probative value. The image of the branding on the swimwear is incomplete and unclear and I am not persuaded that it says DELFINA rather than DELFINA SPORT.
3. Further, while the document was produced in response to a subpoena requiring the production of documents evidencing use of the name DELFINA in the promotion and sale of swimwear before 6 July 2015, in the absence of further evidence the status of the document is uncertain. It may, for example, be a mock-up of a Facebook advertisement that Delfina Sport considered running but did not proceed with. There is nothing to prove that it was ever published, whether by posting it on Delfina Sport’s Facebook page or uploading it on any other internet page or social media channel, by running it as an advertisement, or by sending it to consumers.
4. Finally, even if the document is taken at face value, it is an isolated Facebook post which can only be a snapshot of what was available for consumers to read at that time, and without any context to allow Pinnacle to understand or test its true meaning. Had the document been admissible, I would have exercised my discretion to exclude it under s 135 of the Evidence Act. I consider its probative value is low for the reasons already stated and that value is substantially outweighed by the danger of prejudice to Pinnacle. The document is relevant to the central issue in the cross-claim because it is the only evidence Triangl adduced which carries a date earlier than the priority date, and Triangl did not call any witnesses on this issue. Further, the document does not show that Delfina Sport continued such use or ownership of the asserted DELFINA mark as at the priority date. Ownership can be lost, such as by way of abandonment, and Triangl did not call any officer or employee of Delfina Sport to show continued ownership as at the priority date. Admitting the evidence would place Pinnacle at a real disadvantage in attempting to prove any change in the asserted use: see *Leybourne v Permanent Custodians Limited* [2010] NSWCA 78 (***Leybourne***) at [82] (Giles and Tobias JJA, Sackville AJA); *Shape Shopfitters Pty Ltd* at [26] (Mortimer J).
5. The second document produced by Delfina Sport upon which Triangl sought to rely is a photograph of a woman wearing a swimsuit with DELFINA written prominently on the front (MFI-3, p.3) (**Document** **2**). There are a number of deficiencies with this evidence. First, the photograph is undated and it does not show usage of DELFINA before the priority date. Second, there is nothing to show that the photograph was published to consumers before the priority date or indeed that it was published at all. There is no evidence that the swimming costume displayed in the photograph is one that was available commercially, or that the photograph was part of a promotional campaign advertising the swimwear. Triangl relied on the document for the same purpose as Document 1 and it is inadmissible hearsay for the same reason. Except that it was produced by Delfina Sport in response to a subpoena, there is nothing to indicate that it falls within the business records exception.
6. But even if I am wrong in that view and Document 2 is admissible, in my view it has negligible probative weight. Triangl argued that the photograph casts light upon the position before the priority date as there is no reason to think that Delfina Sport’s use of DELFINA before the priority date was different from its current use. I accept that evidence of later events may throw light upon the true position at an earlier date (see *Conde Nast Publications Pty Ltd v Taylor* [1998] FCA 864; (1998) 41 IPR 505 at 509), but of itself the photograph is insufficient to establish use of DELFINA as a trade mark either before or after the priority date.
7. The third document upon which Triangl relied is a screenshot of a webpage from the Delfina Sport website at <www.delfinasport.com>, taken by Mr Mawby on 12 April 2018 (annexure BAM-10 to Mr Mawby’s first affidavit) (**Document** **3**). The webpage includes a photograph of a swimmer wearing a swimsuit with DELFINA written prominently on the front, accompanied by promotional material regarding Delfina Sport swimwear.
8. Triangl adduced this document for the same purpose and it is inadmissible hearsay unless it falls within one of the exceptions. Triangl argued that it falls within the business records exception but I am not persuaded that it does. But even if I am wrong in that view and Document 3 is admissible, it has little probative value. Mr Mawby took the screenshot in April 2018, almost 3 years after the priority date, and it is insufficient to establish a basis for cancellation under s 88 of the Act. Triangl argued that the document gives context to and reinforces the pre-priority date use but there is no cogent evidence of the use of DELFINA before the priority date.
9. The fourth document upon which Triangl relied is an undated spreadsheet produced by Delfina Sport (MFI-3 at pages 13-28) (**Document 4**). The spreadsheet records transaction details for the sale of hundreds of items of swimwear by Delfina Sport from January 2015 through 2016, and it lists the brand as Delfina. Triangl adduced the spreadsheet for the same purpose as the other documents but, differently to those other documents, I consider that it falls within the business records exception. On its face it is an internal record of Delfina Sport, kept in an organised form accessible in the usual course of business, which records its business activities.
10. Even so, the probative value of the spreadsheet is low, and its probative value is substantially outweighed by the danger of prejudice to Pinnacle, such that it is appropriate to exclude it under s 135 of the Evidence Act. I have concerns about the spreadsheet’s reliability as it records the customer for each of the hundreds of transactions set out as Mr Tyler Martin, the managing director of Delfina Sport at the time. That is inherently unlikely and requires explanation which Triangl’s evidence did not provide. Further, the spreadsheet only assists Triangl to establish prior use of DELFINA through the column titled “Brand” which records the name “Delfina” for each of the hundreds of transactions. That identification seems unlikely when all of the other documents produced tend to show that Delfina Sport is the company name and brand. This too required an explanation, which was not forthcoming.
11. The spreadsheet is relevant to the central issue in the cross-claim, and Triangl did not call any officer or employee of Delfina Sport to explain the entries in the “Brand” column. Pinnacle is unable to properly investigate the document and it did not have any opportunity to cross-examine a witness in relation to it which places it at a significant advantage: see *Leybourne* at [82]; *Shape Shopfitters* at [26]*.*
12. Finally, I note that Triangl sought to adduce evidence of Australian Trade Mark searches made Mr Mawby for “Delfina” in class 25. If the search results are relevant and admissible, they tend to show that:
13. on 3 April 2015 an entity noted as being “DELFINA” OOD lodged Australian Trade Mark application No 1699265 to register the word DELFINA combined with a Dolphin Silhouette (the **Delfina Dolphin Mark**) for Class 25 goods, including clothing and swimwear. An image of the mark that is the subject of the application is reproduced below:



That application lapsed and was withdrawn on 24 November 2016.

1. on 13 November 2017, “DELFINA” OOD lodged another Australian Trade Mark application, No 1886901, for the Delfina Dolphin Mark for Class 25 goods including clothing and swimwear. That trade mark application was the subject of an adverse report by IP Australia on 15 March 2018, which concluded that the application did not meet the requirements of the Act because the mark was found to closely resemble an earlier trade mark in respect of the same class of goods; being the DELPHINE Trade Mark.
2. Pinnacle objected to this evidence on the basis of relevance. It argued that the search in relation to application No 1699265 did not show use of DELFINA before the priority date, only that someone had applied to register the Delfina Dolphin Mark before the priority date and had allowed that application to lapse. I accept that contention. Without more the document is not capable of establishing whether DELFINA *solus* was used as a mark by another trader before the priority date of the DELPHINE Trade Mark. Even if the document is accepted as marginally relevant, its probative value is substantially outweighed by the prejudice that Pinnacle might suffer because it is unable to test the question of usage or understand why the application was allowed to lapse through cross examination. For that reason, even if the document was relevant, I would exclude it under s 135.
3. The search in relation to application No 1886901 is also irrelevant. This application was made after the priority date of the DELPHINE mark and, without more, it does not show prior usage of DELFINA. I do not agree with the view apparently expressed by IP Australia regarding the resemblance of the Delfina Dolphin Mark with the DELPHINE mark, but the question does not arise.
4. Pinnacle did not establish on the balance of probabilities that, before the priority date, Delfina Sport marketed and offered for sale swimwear in Australia under and by reference to DELFINA as a trade mark.

## The Delfina Sport mark

1. In the second limb of Triangl’s cross-claim, it alleged that, from January 2015, Delfina Sport promoted, distributed, supplied, offered for sale and sold swimwear in Australia under and by reference to a DELFINA SPORT mark, which is substantially identical to the DELPHINE Trade Mark.
2. As I have set out above, the DELPHINE Trade Mark is as follows.



DELPHINE is in uppercase and it is not italicised, stylised or in a particular colour.

1. The mark that Delfina Sport used and which Triangl submitted is substantially identical to the DELPHINE mark is as follows:



: the **DELFINA SPORT mark**.

1. Triangl again relied upon documents produced by Delfina Sport in answer to a subpoena. Again, it did not adduce any evidence from an officer or employee of Delfina Sport whom it said had created the documents, or from any consumer or trader who had dealt with Delfina Sport in the course of trade. Triangl relied on the following documents:
2. four documents (all except one produced by Delfina Sport in answer to a subpoena) which are, on their face, copies of posts on Delfina Sport’s Facebook page, being;
3. Document 1, to which I referred above, being a Facebook post apparently made on 15 January 2015 which includes a composite image of three swimmers, each wearing a swimsuits and swimming cap, and the words “We will be having a sale on all swimming costumes …”;
4. a Facebook post apparently made on 20 January 2015 (MFI-3, p 8) (**Document 5**) which contains a cartoon about a Delfina Sport sale and states “SALE UNTIL VALENTINES DAY. 20% OFF SWIMMING COSTUMES” and “20% of all swimming specific products until Valentines Day! Thats [sic] all FINA Approved costumes, our entire range of swimming costumes male and female, bikinis …”;
5. a post apparently made on 22 January 2015 (MFI-3, p 7) (**Document 6**) which contains an image of a swimming pool and superimposed text which states “SALE UNTIL VALENTINES DAY. 20% OFF ALL SWIMMING COSTUMES”;
6. a post apparently made on 12 March 2014 which contains a photo of three male swimmers and the text “Delfina Sport’s own Jayden Robert Hadler … in his Delfina Sport togs!” (annexure BAM-12 to Mr Mawby’s first affidavit) (**Document 7**);
7. a marketing email dated 20 January 2015 (MFI-3, pp 30-32) (**Document 8**) which contains multiple uses of the name Delfina Sport and describes Delfina Sport as a “one-stop shop when it comes to customisable swimwear”. The email includes a list of products including “Female Bladebacks”, “Female Openbacks” and “Female Bikinis; and
8. 30 tax invoices from Delfina Sport for goods including swimwear (MFI-3, pp 33-62) (**Document 9**).
9. Pinnacle objected to the admissibility of some of this material but, given my conclusion on this limb of the cross-claim, it is unnecessary to decide the objections. I proceed on the assumption that from before the 6 July 2015 priority date, Delfina Sport marketed and offered for sale swimwear in Australia under and by reference to DELFINA SPORT as a trade mark. The remaining question is whether the DELFINA SPORT mark is identical or substantially identical to the DELPHINE mark such as to constitute prior use.

### Triangl’s submissions

1. Triangl submitted that the Court should find that the DELPHINE and DELFINA SPORT marks are substantially identical and contended that the authorities demonstrate that the test of substantial identity allows multiple differences between the compared marks. I accept that and note the well-accepted test for deciding whether a mark is substantially identical to a registered trade mark, set out above at [248].
2. Triangl’s argument commenced with a comparison of the words DELPHINE and DELFINA and it submitted that there are only two differences between the two words, being that:
3. the “f” phoneme is represented by “PH” in the DELPHINE mark and by “f” in DELFINA; and
4. the final letter of the two marks is different.

It said that the similarities of those two words, particularly viewed overall, render the differences slight. It contended that the overall idea of the two words is the same, dominated by the “DEL” prefix and the homophonic second syllable. It said that overall similarity was unsurprising when, having regard to a book of baby names adduced in evidence, the two words are variations of the same name meaning: “dolphin”, “resembling a dolphin”, “woman from Delphi” or “calmness”. It contended that the total impression is one of resemblance.

1. Triangl noted that in *Pham Global* the Full Court found that the following two marks are substantially identical:



It said that the differences between the DELPHINE Trade Mark and the DELFINA SPORT mark are far less significant than those in *Pham Global.*

1. Triangl contended that the SPORT element of the DELFINA SPORT mark can be discounted for the purposes of comparing the two marks because it does not substantially affect the identity of the mark. It relied on the decision in *Accor* which considered whether the following mark:



which has a device of five gold stars above the words HARBOUR LIGHTS, followed by the words A NEW STAR SHINES, was substantially identical with the registered word mark “HARBOUR LIGHTS”.

1. In *Accor* at first instance the primary judge said that the device of five gold stars above the words HARBOUR LIGHTS and the words A NEW STAR SHINES formed a composite mark which, on a side-by-side comparison with the registered HARBOUR LIGHTS word mark, meant that the marks were distinguishable: see *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2015] FCA 554; (2015) 112 IPR 494 at [108] and [111]. On appeal the Full Court disagreed with the primary judge’s conclusion that the addition of the five gold stars and the words “A New Star Shines” substantially affected the identity of the marks in the words alone: *Accor* at [213]. The Full Court (at [211]) cited French CJ, Gummow, Crennan and Bell JJ in *Gallo* where their Honours described the position in that case in the following terms:

The addition of the device to the registered trade mark is *not*a feature which *separately distinguishes* the goods or *substantially affects* the identity of the registered trade mark because consumers are likely to identify the products sold under the registered trade mark with the device *by reference to the word* *BAREFOOT*.

1. Triangl also relied on the Full Court’s observation in *Pham Global* which considered the words *“*Clinical Imaging” and “Radiology” in two respective marks which it said were descriptive of the relevant services. In that case the Full Court said (at [52]:

The required exercise of side-by-side comparison is not carried out in a factual and legislative vacuum. The purpose of the exercise is to decide if two trade marks are substantially identical, where a trade mark is “a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person” (s 17). Given this context, **it is unlikely that the essential elements of a mark or its dominant cognitive clues are to be found in mere descriptive elements, which are not apt to perform this distinguishing role in respect of the relevant goods or services.** While this does not mean that differences, including descriptive differences, may be ignored, it does mean that the side-by-side comparison is to be carried out cognisant of the essential elements of the mark.

(Emphasis added.)

1. Triangl submitted that the word SPORT is not an essential element or dominant cognitive cue in the DELFINA SPORT mark. It argued that SPORT is descriptive of the goods in question and not apt to perform a distinguishing role in respect of the goods. On its argument SPORT does not substantially affect the identity of DELFINA SPORT and on the test enunciated in *Accor* and *Pham Global* the DELPHINE and DELFINA SPORT marks should be found to be substantially identical.

### Consideration

1. For convenience I again set out the two marks, side-by-side.

1. The question as to whether these marks are substantially identical is a question of fact to be determined by a side-by-side comparison, noting the similarities and differences, and assessing the importance of these having regard to the essential features of the registered mark. If a total impression of similarity emerges from a comparison between the two marks then they are substantially identical: *Shell* at 414; *Carnival Cruise Lines* at 513.
2. There are some similarities between the two marks and I accept that the overall idea of DELPHINE and DELFINA is similar. Both commence with the letters “DEL”, the “f” phenome in both sounds the same, and they have a homophonic second syllable. Having said this, the differences are such that a total impression of similarity does not emerge.
3. *First*, the DELPHINE mark and the DELFINA SPORT mark are different in overall appearance in a way which is apt to distinguish them. The DELPHINE mark is not stylised. It is uppercase and there is nothing about the font style, size, colour or shape which distinguishes it. The DELFINA SPORT mark is in a stylised font with DELFINA in title case and italicised, and SPORT in uppercase, italicised, and set below and to the right. The DELFINA SPORT mark is sea blue in colour on a white background, and it has a lighter blue wave running through DELFINA. The evidence also shows a variant in which the text is in white on a sea blue background. That variant appears, for example, on the documents produced on subpoena which purport to be posts on Delfina Sport’s Facebook page. The overall appearance is markedly different.
4. *Second*, the DELFINA element of the DELFINA SPORT mark is different to DELPHINE. The letters “F” and “PH” look different when the marks are viewed, and (putting to one side the fact that there are two elements to the DELFINA SPORT mark) DELFINA has a distinctly different sound to DELPHINE because it ends with “a”.
5. *Third*, the DELFINA SPORT mark includes the SPORT element, and that element is given some prominence by being stylised, capitalised, italicised and offset. The fact that the name is double-barrelled, with both elements being given some prominence, is significant to the overall impression of difference that emerges.
6. SPORT is descriptive to an extent which reduces its capacity to perform a distinguishing role, but SPORT may be a reference to an almost endless array of goods and the level of its descriptiveness is therefore low. In my view it serves to distinguish to an extent.
7. The position in the present case is different to that in *Pham Global* where the Full Court found that the wordsClinical Imaging and Radiology described the services both companies offered under the respective marks. It is relevant too that both marks in that case had similar distinctive faded double crest or circle devices and identical dominant cognitive cues, namely Insight, so that all that was left that was substantially different between the two marks was the purely descriptive words Clinical Imaging and Radiology. That is not analogous to a side-by-side comparison of DELFINA SPORT and DELPHINE.
8. I do not consider that Triangl established that the two marks are substantially identical and this limb of the cross-claim fails.

## THE ICONIC

1. In the third limb of Triangl’s cross-claim it alleged that, from at least September 2013, the online retailer THE ICONIC promoted, distributed, supplied, offered for sale and/or sold jackets using its Facebook page and website in Australia, under and by reference to the name DELPHINE.
2. Again, Triangl only relied on a few documents to establish this part of its cross-claim. It did not adduce evidence from any officer or employee of THE ICONIC whom it said had created or published the marketing material, or from any consumer or trader who had dealt with THE ICONIC in the course of trade.
3. Triangl relied upon the following evidence:
4. on 6 July 2017 Mr Mawby conducted a search on THE ICONIC Facebook page located at <www.facebook.com/pg/IconicAU> for posts which included the word “Delphine”. He located an advertisement posted on 19 September 2013 which advertised a camouflage denim jacket for sale in Australia under the name “The Motel - Delphine Jacket”; and
5. on 3 October 2018 Mr Beavis used the Wayback Machine to carry out a search to clarify whether THE ICONIC’s promotion of a denim jacket under the name “Delphine” was directed to consumers in Australia website. He annexed a screenshot of a webpage from THE ICONIC website at <www.theiconic.com.au>, produced by the Wayback Machine, which listed a camouflage print jacket named “The Motel Delphine Jacket” advertised for sale in Australia.
6. Pinnacle argued that there is no admissible evidence of prior use of DELPHINE by any entity, let alone evidence that would suffice to establish opposition to registration under s 58 of the Act. It submitted that the evidence of Mr Mawby and Mr Beavis is hearsay because no witness attested to viewing the relevant webpages prior to 6 July 2015 or to having personal knowledge of the purported content. It also contended that it would be prejudiced if the evidence was admitted because it would be unable to cross-examine the alleged prior user of DELPHINE brand or investigate their alleged claim to ownership as at 6 July 2015.
7. There is substance to some of Pinnacle’s objections, but it is unnecessary to decide them because Triangl accepted that the brand used in both advertisements is MOTEL and that DELPHINE is just a style name, and that the advertisements do not show prior use of DELPHINE as a trade mark. It advanced this limb of the cross claim in the alternative, and only sought to pursue it if it was unsuccessful in defending the infringement claim.

# Costs

1. I have ordered dismissal of each of the claim and the cross-claim. The parties are directed to file and serve submissions on the question of costs within 21 days, and to file and serve any submissions in reply within seven days thereafter.

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| I certify that the preceding two hundred and ninety-eight (298) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Murphy. |

Associate:

Dated: 10 October 2019